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Daily Report
East Asia

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South Pacific Forum Condemns China's Latest Nuclear Test

BK3007061596 Melbourne Radio Australia in English 0500 GMT 30 Jul 96

[FBIS Transcribed Text] The South Pacific Forum has condemned China's latest nuclear test. Acting secretary general (Naikaneki Burabarobo) said it was deeply regrettable that China had conducted the test. He said the Forum had opposed nuclear testing for a long time and was disappointed at the continuation of China's nuclear program.

The Forum's stance was outlined to China's minister of foreign affairs, Qian Qichen, when he visited the South Pacific Forum secretariat in Suva recently.

Mr. (Burabarobo) said the Forum hopes China will work vigorously towards an early successful conclusion of a truly comprehensive test ban treaty.

Mekong Nations Agree on Environmental Projects

BK0408130796 Bangkok BANGKOK POST in English 4 Aug 96 p 3

[Report by Chakkrit Ritmontri]

[FBIS Transcribed Text] Six Greater Mekong Sub-region countries have agreed to cooperate with the Asian Development Bank [ADB] over two environmental improvement projects on the Mekong River.

The ADB held a press conference on Friday to report on results of the second meeting of the Greater Mekong Sub-region's Working Group on the environment, held from July 30 to August 1 at the Asian Institute of Technology. In attendance were officials from Cambodia, China, Laos, Burma, Thailand, Vietnam and the United Nations Environment Programme.

Two projects were reportedly given the go-ahead by representatives of the six countries that have agreed to cooperate to rehabilitate the Tonle Sap, or Great Lake, which is threatened by deforestation in upstream countries.

As a result, the first project—Poverty Reduction and Environmental Improvements in Remote Watersheds in the Greater Mekong Sub-region—was raised. It is aimed at stopping traditional slash and burn cultivation and illegal logging, the major sources of sedimentation in the Tonle Sap, in upstream countries.

Noritada Morita, director of the ADB's Programmes Department (West), said the project is aimed at improving the livelihood of the 60 million farmers in remote upstream areas who use slash and burn cultivation by incorporating them into the market economy and providing them with basic necessities.

"We have to make these people live in one place and introduce them to diversification, small irrigation, education and health services," he said.

The six countries also agreed to closely monitor illegal logging, he added.

The meeting resolved to ensure the long-term preservation of wetland habitats in the Lower Mekong Basin. This includes strengthening sub-regional cooperation regarding the sustainable management of resources and a networked wetland environment database to facilitate good management.

Japan

Tokyo, Washington Reach Microchip Agreement

OW0208132796 Tokyo KYODO in English
1319 GMT 2 Aug 96

[FBIS Transcribed Text] Vancouver, Aug. 2 KYODO — Japan and the United States struck a deal early Friday here over the bilateral microchip dispute.

"We've reached an agreement," Japanese International Trade and Industry Minister Shumpei Tsukahara told reporters as he emerged from rounds of talks overnight with Acting U.S. Trade Representative Charlene Barshefsky.

The agreement came in Vancouver, Canada, two days after the 9 A.M. [as received] Wednesday deadline — the time in Washington when the current 1991 bilateral semiconductor agreement expired.

Japan: 'Text' of Joint Statement Concerning Semiconductors

OW0308011996 Tokyo KYODO in English
2143 GMT 2 Aug 96

[FBIS Transcribed Text] Vancouver, Aug. 2 KYODO — Following is the full text of the joint statement by the Governments of Japan and the United States concerning semiconductors, released Friday [2 August] in Vancouver, Canada.

Joint Statement by the Government of Japan and the Government of the United States Concerning Semiconductors.

August 2, 1996

Vancouver, Canada

1. Introduction

Bearing in mind that the arrangement between the Government of Japan and the Government of the United States of America concerning trade in semiconductor products (the arrangement) expires on July 31, 1996, the Government of Japan and the Government of the United States of America have conditions facing the semiconductor industry.

2. Principles

The two governments share the view that cooperation with respect to semiconductors should be carried out based on the following principles.

A. Importance of market principles

The competitiveness of companies, not government intervention, should be the principal determinant of industrial success and international trade.

B. Consistency with WTO rules

Government measures should be fully consistent with the letter and spirit of the WTO agreement. Governments should avoid any form of discrimination based upon the origin of a product, including discrimination on the basis of capital affiliation.

C. International cooperation

Cooperative efforts to respond to global challenges, both multilateral and bilateral, are likely to become more common and more important. It is important that a larger number of nations take on an equal role in bringing about mutual benefit. In this regard, discussion of markets should not unduly single out any particular market.

3. Cooperative activities

A. Both governments recognize that the private sector has the primary responsibility for meeting the challenges posed by the dramatic structural changes in the semiconductor industry, of fulfilling the promise of the "information society," of promoting industry cooperation, and of providing market opportunities for all competitive suppliers.

B. The two governments welcome the agreement between EIAJ [Electronic Industries Association of Japan] and SIA [Semiconductor Industry Association] on international cooperation regarding semiconductors (the Agreement) establishing the Semiconductor Council (Council), through which the industries will discuss and engage in a variety of activities, including cooperative activities between users and suppliers, in addition to industrial cooperation concerning newly arising global issues.

C. The two governments also welcome the provisions of the agreement under which the industries will collect data on semiconductor markets, provide the governments with reports on trade flows, market developments, and cooperative activities, and will make recommendations on issues of concern.

D. Both governments affirm their intention to support industry- to-industry cooperative efforts, including support for trade promotion and seminar activities, and to establish a consultative mechanism.

E. Pursuant to Paragraph D, at least once per year the two governments will hold consultations to:

(i) receive and review reports on data collected and analyzed and recommendations made under the agreement or by the Council members, and to met with them to discuss these matters;

(ii) review and discuss the cooperative activities conducted under the agreement and market trends and developments, including those related to competitiveness and foreign participation, in major markets, taking into account the information provided in the industry reports; and

(iii) discuss government policies and activities affecting the semiconductor industries, taking into account industry recommendations.

F. Other governments whose national industry associations have joined the Council may join the consultations, if they so wish.

4. Global Governmental Forum

A. To deal with the global challenges facing the semiconductor industry in the coming years, as well as to facilitate sound development of the semiconductor industry, the Government of Japan and the Government of the United States call for the creation of a Global Governmental Forum (GGF), and invite other governments of major semiconductor-producing countries and other economies to participate in this annual forum without any preconditions. Both governments welcome the strong expression of interest by the EU and encourage the interest of other semiconductor producing countries and other economies as well.

B. The Government of Japan and the Government of the United States intend to consult with other prospective GGF participants on the scope of the GGF and the agenda for the GGF's first annual meeting, to be held no later than January 1, 1997. Without prejudice to the scope of the GGF or the first annual meeting agenda that ultimately may be agreed upon, both governments envision that the forum will provide an opportunity for its participant, in a manner consistent with the letter and spirit of the WTO [World Trade Organization] agreement to discuss the following issues as they affect the future outlook of the global semiconductor industry:

(i) trade and investment liberalization, including removal of tariffs and other market barriers;

(ii) legal regimes that affect the semiconductor industry, such as regulation and taxation;

(iii) environment, worker health and safety, and standardization;

(iv) protection of intellectual property rights;

(v) present and future approaches to basic scientific research; and

(vi) promotion of the information society, including market development.

5. Antidumping

Both governments recognize that Article VI of the General Agreement on Tariffs and Trade 1994 (GATT) condemns injurious dumping and reaffirm the need to avoid the problem of injurious dumping through effective and expeditious antidumping measures consistent with GATT and the WTO agreement on implementation of Article VI of GATT (antidumping agreement).

6. Termination

Activities described in this joint statement will be terminated on July 31, 1999, unless otherwise agreed.

Japan: Tsukahara 'Pleased' With Microchip Accord

OW0208154096 Tokyo KYODO in English 1524 GMT 2 Aug 96

[FBIS Transcribed Text] Vancouver, Aug. 2 KYODO — Japanese International Trade and Industry Minister Shumpei Tsukahara said Friday he is confident the agreement reached between Japan and the United States over the bilateral microchip dispute will be welcomed by the international community.

"I am truly pleased to note that we have created a multilateral framework of cooperation that is appropriate for the new era for the world semiconductor industry to address the common challenges that they face," Tsukahara said in a written statement.

"I am confident that we have been able to reach an outcome that will be welcomed not only by the citizens of our two countries, but by the international community as well," he said.

Referring to a global government forum that the two countries agreed to set up in order to discuss policy issues regarding the microchip industry and trade, Tsukahara said he hopes the new mechanism will function effectively for the healthy development of industry in the coming years.

"With this agreement, I hope international cooperation both at the government and industry level will be promoted between Japan and the U.S. and among all countries concerned for an even greater development of the semiconductor industry and trade," he said.

Japan: Tsukahara: Accord Has 'No Implications for Managed Trade'

OW0308010496 Tokyo KYODO in English
2145 GMT 2 Aug 96

[By Kohei Murayama]

[FBIS Transcribed Text] Vancouver, Aug. 2 KYODO - Japan and the United States struck a tactical microchip deal in Vancouver, Canada, on Friday, leaving room for both sides to claim victory over the thorny issues of collecting market-share data and government monitoring of those figures.

The deal, involving a joint government statement and an industry-to-industry accord, came after marathon negotiations between Japanese International Trade and Industry Minister Shumpei Tsukahara and Acting U.S. Trade Representative Charlene Barshefsky.

Industry leaders of the two nations were also in Vancouver, holding bilateral meetings on the sidelines and joint talks with government negotiators.

Tokyo claimed that the agreement fully reflected its insistence for terminating government intervention on market access to Japan and replacing the bilateral microchip pact with multilateral arrangements.

But the deal incorporates both a bilateral arrangement insisted [upon] by the U.S. and a multilateral initiative proposed by Japan.

The deal establishes a global government forum no later than Jan. 1, and an industry-level semiconductor council immediately.

"I am truly pleased to note we have created a multilateral framework of cooperation that is appropriate for the new era for the world semiconductor industry to address the common challenges that they face," Tsukahara [said].

The deal "has absolutely no implications for managed trade," Tsukahara said in referring notably to the fact the government agreement takes a form of joint statement instead of a pact or other means that are subject to U.S. retaliatory trade laws.

The statement itself also clearly states, "The competitiveness of companies, not government intervention, should be the principle determinant of industrial success and international trade."

The 1991 Bilateral Semiconductor Agreement, which expired Wednesday [31 July], had called on Tokyo to ensure foreign market share of more than 20 percent, but rejected any arrangements suggesting new numerical targets now that foreign share has topped 30 percent in Japan.

Meanwhile, Washington emphasized that an industry accord which inherited collection of market-share data and some other disputed aspects of the expired government pact, serves as the centerpiece of the deal.

Barshefsky said, "It is responsive to views of the United States and views of Japan...[ellipses as received] which has at its core an industry-to-industry agreement as we always said would be the most appropriate way to proceed."

The private-sector agreement calls on "industry experts" to collect data on market size, growth, and shares of foreign microchip for quarterly reporting to the council's member governments.

Under the government statement, the Japanese and U.S. Governments welcome the industry agreement, particularly over data collection and provision of reports to the governments, and the two governments will meet once a year to review the reports and make recommendations on issues of industry concern.

This linkage could serve to indicate government intervention on foreign market share in Japan.

While conceding the government agreement as "light touch," Barshefsky said, "It is designed to result in consultations as well as review of issues and data."

The U.S. is also expected to take a unilateral action of publishing quarterly data on foreign market share in measuring progress of foreign access to Japan as recently recommended by [the] U.S. Senate to President Bill Clinton in a nonbinding resolution.

Asked about publication of the quarterly data, Barshefsky said, "I don't know. It didn't even come up (during negotiations)."

The expired accord used the quarterly data collected by both governments in assessing Japan's commitments in ensuring the 20-percent share of foreign microchips.

Defending the end of government role on market share, Ira Shapiro, senior counsel and negotiator of the U.S. Trade Representative, said targets are not needed any more because the U.S. microchip makers have gained strong competitiveness to enter foreign markets as long as they are open.

"All we need is [an] open market," Shapiro said.

On the data collection, the two nations showed conflicting views over the industry agreement, with U.S. officials saying it includes a "capital affiliation" method and Japanese officials dismissing it. The data-gathering method is used to determining whether microchip makers are domestic or foreign.

The two nations will terminate [the] government agreement July 31, 1999 unless otherwise agreed, and the industry accord in three years under an mutual agreement.

As for participation of the European Union and other third-party nations in the bilateral arrangements, the government statement endorses it unconditionally as demanded by Japan, while the industry agreement requires such preconditions as removal of import tariffs as insisted by the U.S.

The deal apparently mirrored the political wills of both Clinton and Japanese Prime Minister Ryutaro Hashimoto ahead of their crucial elections.

In late June, the two leaders set Wednesday as the deadline for an "mutually acceptable agreement" on the microchip dispute.

Political analysts say Clinton needed an agreement to address interests of the semiconductor business that concentrate in California, one of the major states needed to win votes in his reelection bid in November.

During final overnight sessions that led to the microchip deal, even Tsukahara said he feels "pity" for Barshefsky facing strong pressure from the industry side.

Meanwhile, a breakdown of the microchip talks could have led the Republican camp to criticize Clinton's trade policy as a failure.

The same is true for Hashimoto, who was known as a tough negotiator when he was Japan's trade minister in concluding the high-profile auto trade accord with the U.S. last summer.

Japan: Chip Industry Welcomes Semiconductor Accord

*OW0208170996 Tokyo KYODO in English
1650 GMT 2 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 3 KYODO — The Japanese semiconductor industry Friday night welcomed the just reached Japan-U.S. microchip agreement, saying it is placing more emphasis on private-sector cooperation than on the role of government.

The agreement came in talks between Japanese International Trade and Industry Minister Shumpei Tsukahara and Acting U.S. Trade Representative Charlene Barshefsky in Vancouver, Canada, two days after the 1991 bilateral semiconductor accord expired Wednesday [31 July].

In a statement, Tsuguo Makimoto, a Japanese industry leader who played a central role in the Vancouver talks as representative of the Japanese industry, said the accord reflects the industry's insistence.

With the new accord, conventional government-led cooperation will develop into private sector-based international cooperation, he said.

Makimoto issued the statement through the Tokyo office of the Electric Industries Association of Japan.

Hajime Sasaki, vice president of NEC Corp., also praised the new accord, saying it laid the groundwork for cooperation based on the multilateral trade rules of the World Trade Organization (WTO) instead of the 1991 bilateral pact.

Under the new agreement, joint surveys by the Japanese and the U.S. Governments to monitor foreign access to the Japanese market will be replaced by the collection and analysis of data on the market by the private sector.

Though private-sector surveys remain, the new agreement is favorable for Japan as microchips made at foreign factories affiliated with Japanese companies can be regarded as foreign semiconductors under the accord, Japanese officials said.

Under the 1991 accord, microchips made at foreign factories with Japanese capital are considered Japanese chips.

Japan: 'Source' Says No Market Share Surveys Under New Chip Accord

*OW0208140396 Tokyo KYODO in English
1354 GMT 2 Aug 96*

[FBIS Transcribed Text] Vancouver, Aug. 2 KYODO — Japan and the United States will not survey or monitor the foreign share of the Japanese semiconductor market under a new microchip agreement struck early Friday, a Japanese government source said.

"The semiconductor accord is almost in line with what Japan has asked for," the source at the Ministry of International Trade and Industry said.

Under the accord, which replaces the 1991 Japan-U.S. chip pact that expired Wednesday, the two countries will establish a global government forum Jan. 1, 1997, to discuss market barriers and other chip trade issues, the source said.

Japan: Industry Expects General Agreement in Chip Talks

*OW0308060296 Tokyo MAINICHI SHIMBUN
in Japanese 2 Aug 96 Morning Edition p 6*

[by Masaki Takegawa]

[FBIS Translated Text] The Japanese semiconductor industry has positively appraised the fact that Japan and the United States have agreed in outline on the semiconductor issue, which is expected to be concluded. The people in the industry say that "abolishing the intergovernmental agreement, which has a strong nature of managed trade, is desirable" (as stated by an executive of a major chip maker). However, the survey on foreign chip share in the Japanese market will be taken over by the Japanese and U.S. industries. Since the U.S. Government intends to monitor the market share independently, there is concern that "if the foreign chip share drops, the U.S. side will increase its pressure for sanctions" (according to a leader of a major chip maker).

Since the first bilateral semiconductor agreement was concluded in 1986, the Japanese industry has been restricted in various management issues by the intergovernmental agreement, which "guarantees" more than a 20 percent share of foreign semiconductor products on the Japanese market.

It is true that when the semiconductor agreement was concluded, "Japanese chip companies took the price offensive by dumping on the U.S. market, the U.S. side took retaliatory actions in the form of tariffs, and there was no choice but to depend the governments to deal with such a sharp confrontation between the Japanese and U.S. industries" (as stated by a leading company executive). However, conditions surrounding the semiconductor industry have drastically changed since the beginning of the 1990's. U.S. chip companies have restored their competitive strength, and cooperation between Japanese and U.S. companies have been promoted.

Nevertheless, Japanese companies "have not been free to decide prices of products" under the U.S. Government's dumping monitoring, based on the bilateral semiconductor agreement (as stated by a source in the chip industry). South Korean makers have wrested away the initiative in the world's memory market by taking advantage of this situation. The Japanese semiconductor industry has decidedly rejected government involvement in the market in top-level private- sector talks since the beginning of 1996 — although the industry has been encouraged by the Ministry of International Trade and Industry's strong intention — because it does not want to repeat this "bitter experience."

The government-to-government agreement, which remained in effect for 10 years, will be abolished, thanks to the recent Japan-U.S. agreement. But cooperation from private organizations — the Users' Committee of Foreign Semiconductors (UCOM), which supports foreign semiconductor makers' making inroads into the Japanese market — will continue. Expenses for the support activities account for more than 10 percent of the Electronic Industries Association of Japan (EIAJ), so that a (senior executive of the semiconductor industrial circles) expressed strong dissatisfaction, saying: "There is no reason for Japan, which is suffering from a semiconductor slump, to help the U.S. makers."

Nevertheless, there is no doubt that the U.S. Government will tighten the pressure again should the share of foreign semiconductor makers drop in the Japanese market. It seems that efforts to avoid friction at the private level, including an attempt to deepen reliable ties between Japanese and U.S. industrial circles, will become more important.

Japan: Hashimoto: Call Led 'Almost Immediately' to Chip Accord

OW0308043096 Tokyo KYODO in English
0330 GMT 3 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 3 KYODO — Prime Minister Ryutaro Hashimoto left Tokyo on Saturday morning for a round of golf at the foot of Mt. Fuji, saying he deserves the respite following the successful conclusion of the microchip talks between Japan and the United States.

"The semiconductor talks are now over, and I need to refresh a little bit," he told reporters before heading for the National Country Club in Fujinomiya, Shizuoka Prefecture with wife Kumiko and his entourage.

Commenting on the microchip accord reached in Vancouver, Canada, Hashimoto said agreement was reached almost immediately after he sent a telephone message to Osamu Watanabe, director general of the trade ministry's Machinery and Information Industries Bureau, who stays in the Canadian city for the microchip negotiations.

The two countries reached the agreement "30 to 40 minutes after" that message, which had said "responsibility rests upon you and me," Hashimoto told reporters.

Hashimoto has played golf in greater frequency in recent weeks with or without such achievements in trade and other issues, although former premier Kiichi Miyazawa was the most frequent weekend golfer while in office.

Japan: Official Says Accord 'Salvaged' Hashimoto-Clinton Ties

OW0508091596 Tokyo KYODO in English
0901 GMT 5 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 5 KYODO — Last week's Japan-U.S. microchip accord salvaged the mutual trust between Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton, a high-ranking Foreign Ministry official said Monday.

"Personally, I was very concerned about the situation. So I was pleased with the deal," said the official on condition of anonymity. "Damage was averted for now."

He acknowledged that the close personal relationship between the two leaders could have been sullied had it not been for the agreement on the two major bilateral trade disputes — semiconductors and insurance.

"In that sense, I was relieved," the official said.

Tokyo and Washington stru[illegible] microchip deal in Vancouver, Canada, on Fri[illegible] failing to meet the original deadline last Wedn[illegible].

Hashimoto and Clinton set the deadline in Lyons, France, in late June when they met on the sidelines of the summit of the group of seven major industrialized countries.

Japan and the United States failed to engineer a compromise on their insurance dispute within the deadline, but agreed they would resume talks probably in the fall or later.

Japan: Discrepancies in Texts of Private-Sector Chip Agreement

OW0408022496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Aug 96 Morning Edition p 3

[By reporter Nozomu Kitadai]

[FBIS Translated Text] Vancouver, 2 Aug — Discrepancies have already appeared in the texts of the announcements by the Electronic Industries Association of Japan (EIAJ) and the U.S. Semiconductor Industry Association (SIA) on the private-sector agreement over semiconductor trade between Japan and the United States. These discrepancies foreshadow future disputes in this trade sector.

The EIAJ's announcement makes no reference to the issue of private-sector monitoring of market share, in assumption that it will be "abolished." However, the SIA's text reads: "Data gathering will be conducted by U.S. and Japanese industries. Data on the scale of markets and their openness will be submitted to the governments and analyzed by the two countries." The SIA intends to take up a broad range of issues, including market barriers, saying: "This will make it possible to calculate the market share of foreign semiconductors."

The framework for multilateral cooperation in the semiconductor industry to be set up in accordance with Japan's proposal is referred to as the "World Semiconductor Conference" in the Japanese announcement. However, the U.S. announcement merely calls it the "Semiconductor Industry Conference," leaving out "world." This allows the United States to keep insisting on "first aiming at setting up a bilateral framework," as it has been doing so far.

Japan: Editorial Comments on Microchip, Insurance Talks With U.S.

OW0508111096 Tokyo YOMIURI SHIMBUN in Japanese 4 Aug 96 Morning Edition p 3

[Editorial: "Task For Japan, U.S. After 'Semiconductor Accord'"]

[FBIS Translated Text] In negotiations about the two fields of trade that had continued beyond the 31 July deadline, Japan and the United States have agreed to shift from a framework of a bilateral accord to that of multilateral negotiations in dealing with semiconductor trade. But the two countries have actually broken off talks over their insurance dispute due to the adamance of the U.S. side, which sought to maintain its vested interests in the Japanese market.

In the background of the rough going in the talks on the two subjects were pressures from U.S. industries that wanted to use the upcoming U.S. presidential election to secure and expand their own interests.

For all this, Japan and the United States did agree that the 10- year-old semiconductor accord would be discontinued after it expired on 31 July and that a multilateral private forum involving the European Union would be set up to discuss semiconductor trade. We highly welcome this agreement.

The bilateral semiconductor accord which had, for all practical purposes, forced Japan to increase the share of U.S.-made semiconductors in the Japanese market, came to symbolize managed trade between the two governments.

To replace the semiconductor accord, Japan and the United States have agreed to try to create a system in line with the World Trade Organization [WTO] rules, which are intended to promote trade liberalization through multilateral negotiations.

Unqualified optimism is not warranted, however, because Japan and the United States attached a condition to the establishment of a new framework to replace the old bilateral accord — that their bilateral relations take precedence. The new agreement thus retains a tinge of bilateralism.

The U.S. semiconductor industry had strongly wanted the two governments to be involved in monitoring the share of U.S.-made semiconductors in the Japanese market. But this was not specified in a joint statement issued by the Japanese and U.S. Governments after the talks. Even so, the interpretation by the U.S.

Government and industry is that the two governments will remain involved. When they negotiate, the Japanese and U.S. Governments will analyze data compiled by U.S. industry, according to the U.S. interpretation.

It is important that the Japanese and U.S. Governments and industries faithfully implement each item of the agreement so that they will demonstrate a model of preventing new friction and promoting multilateral trade liberalization.

In the insurance talks, the United States insisted that the planned participation by subsidiaries of Japanese life insurance companies in the field of nonlife insurance be postponed for a long time. Many U.S. insurance companies, are strong in nonlife insurance.

Under a new insurance industry law enacted in line with the 1994 insurance agreement between Japan and the United States, Japanese life insurance companies have applied for the establishment of nonlife subsidiaries. The Ministry of Finance reportedly plans to approve their applications so that the subsidiaries can begin such business in October. The ministry's plan, which is based on a law, is quite natural.

The United States reportedly hopes to resume the insurance talks in early September. We believe that Japan and the United States should resume the talks as quickly as possible and try to reach an agreement satisfactory to both. It is out of the question to engage in negotiations with the threat of sanctions against Japan.

The two countries should also continue negotiations over liberalization measures that were taken up in the latest talks, including liberalization of mail-order sales of automobile insurance policies and liberalization of insurance premiums. These points must not be reserved to be used as bargaining tools.

The purpose of the new insurance law is to liberalize the insurance market and widen the range of choice among insurance portfolios for the interest of consumers. Agreement on individual liberalization measures will help attain an overall agreement in the future insurance talks.

Besides insurance, there is trade friction in some other fields between Japan and the United States. For example, the two countries have been engaged in exchanges of sanctions in civil aviation, and U.S. computer makers have filed a dumping suit over the purchase of a Japanese-made supercomputer by an agency affiliated with the U.S. Government.

We want the Japanese and U.S. Governments to endeavor to dissolve trade friction from the standpoint of promoting bilateral relations and free trade based on the WTO rules, instead of merely seeking immediate profits.

Japan: Editorial Views Latest Semiconductor Agreement

OW0508131596 Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Aug 96 Morning Edition p 2

[Editorial: "Turning Semiconductor Trade Into "Nonmanaged Trade" Is Only Natural"]

[FBIS Translated Text] Japanese and U.S. negotiators have reached agreement in the semiconductor talks which remained stalled even after the previous treaty expired. They decided, among other things, to abolish this treaty and establish a multilateral forum to discuss the issue of trade barriers which are hampering market access. Regarding the pending issue of market shares, the negotiators decided not to designate any target goals and to abolish the practice of surveying market share.

Taking an overall view of the new agreement, it can be noted that Japan's stance has been incorporated into it to a considerable degree, and the semiconductor trade, which has marked the beginning of managed trade prevailing for the last 10 years, has finally been pushed back to conform with the principles of free trade. It is desired that the United States should take this opportunity to rectify its trade policy which has been marked by a tendency to seek a forced, political settlement of trade issues by hinting at trade sanctions under section 301 of the 1974 U.S. Trade Act.

The abolishment of the previous agreement is only natural. It is clear that the purpose of the agreement which was to expand foreign products' access into the Japanese market has been fulfilled now that their market share has recently exceeded 30 percent from around nine percent 10 years ago. Chip users have completely integrated into their product designs and procurement plans foreign microprocessors and logic IC [integrated circuit] chips which are highly competitive. They have shown no signs of ignoring economic rationale to favor the use of their own products or products made by their affiliate companies.

The U.S. semiconductor industry has recovered to an extent where it has gained a competitive edge over the Japanese chip industry. Thus, the previous agreement has fulfilled its purpose as an emergency package of market-opening measures under which the Japanese Government would assure foreign firms' share in the Japanese market. Regardless of the existence of any agreement, Japanese companies will not change their minds about buying foreign semiconductors, and the market share of these products is unlikely to drop sharply at all. Thus, U.S. firms will probably come to realize that their fears were utterly groundless.

We welcome the fact that under the new agreement, problems will be worked out through multilateral talks instead of bilateral discussions. Although it may have been valid 10 years ago when the United States and Japan dominated the semiconductor markets, it is now impractical for just those two countries to discuss the market structure of a rapidly growing industry like the semiconductor industry which involves the international community and draws the interest of various countries. It is desired that efforts be made at multilateral forums such as the World Trade Organization (WTO) to abolish trade barriers.

What worries us is the possibility of the Japanese and U.S. Governments' explaining the latest chip agreement to their own peoples in a manner that wins favorable reaction from them, while leaving the seeds of future misunderstanding as in the case of last year's automobile agreement. In regard to the planned expansion of Japanese car dealers handling U.S. automobiles, we have already seen U.S. Commerce Secretary Mickey Kantor charge that Japanese firms have broken their word, claiming that Japanese firms committed themselves to increasing the number of such car dealers. The fact that the U.S. presidential election is coming up in the autumn only increases the likelihood of further cases of politically-motivated, broadened interpretation of the agreement. It is desired that governments clearly confirm that they will not intervene in corporate management, as that is only natural.

Japan: Nonlife Insurer Glad To See Status Quo in Auto Insurance

OW0208125796 Tokyo KYODO in English 1240 GMT 2 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 2 KYODO — A Japanese nonlife insurance industry leader said Friday he welcomes that Japan has tentatively avoided authorizing what he considers to "discriminatory" sales of auto insurance policies by mail, following failed Japan-U.S. insurance negotiations.

The avoiding of such sales "should be greatly appreciated," said Takeo Iguchi, chairman of the Marine and Fire Insurance Association of Japan, in a statement released after the talks.

Japan and the United States failed to strike an agreement after three days of senior officials' talks in Vancouver, Canada, through Thursday and a series of telephone talks between Finance Minister Wataru Kubo and Acting U.S. Trade Representative Charlene Barshefsky. In the talks, Japan offered to accept a U.S. request for freeing auto insurance premiums and permitting sales of such policies by mail in a bid to win U.S. concessions on its call for letting major Japanese life insurers sell accident insurance through subsidiaries.

Foreign insurers thrive on accident insurance and other policies in the so-called "third sector" of the Japanese market which falls in a gray zone between the primary life and nonlife sectors.

Nonlife insurance companies argue that the U.S. request for premium liberalization and mail-order sales is conducive to exclusively providing top-rated policyholders with cheap premiums and other privileges that are not available in conventional auto policies.

Under such a system of auto insurance sales, which Iguchi termed "discriminatory," insurers will "select good consumers and sell policies only to them, while pushing up premiums of policyholders with accident records, which will have a great social impact," Iguchi said.

The U.S. insists that liberalization will provide consumers with a broader choice of insurance policies.

Finance Minister Kubo expressed hopes for an early resumption of insurance negotiations with the U.S. at a news conference Friday.

Iguchi called on the Japanese and U.S. Governments to give top priority to consumer interests in their insurance negotiations.

Japan: 'Tough' U.S. 'Stance' Blamed for Failed Insurance Talks

OW0208135496 Tokyo KYODO in English 1343 GMT 2 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 2 KYODO — Japan and the United States will face tough negotiations even if they reopen talks to settle the dispute over Japan's measures to liberalize its insurance market, a Japanese negotiating source said Friday.

The two countries have reduced disputed points by about half, but remain "far apart" over liberalization measures in the primary life and nonlife insurance sectors as well as the so-called "third" sector, the source told reporters after returning from failed talks in Vancouver, Canada.

The third sector covers sickness, accident and nursing care insurance policies in a "gray zone" between life and nonlife insurance sectors.

Despite the talks in Vancouver, Japan and the U.S. were unable to strike a deal on the insurance issue by

Wednesday's deadline, which was set by Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton.

They agreed to resume insurance talks at mutually agreeable times. At present, it is uncertain when the two countries will be able to reopen the talks.

The source attributed the failed Vancouver talks to Washington's continued tough negotiating stance.

Japan has made maximum compromises but the U.S. lacked flexibility, the source said.

The source said Japan and the U.S. can withdraw their respective proposals put on the table in the Vancouver talks because they were presented on the assumption that the two countries would strike a deal based on them.

There is a possibility that the two countries will have to start again from the beginning when they resume insurance talks, the source said.

The source also said that Japan notified the U.S. side in Vancouver of its intention to go ahead with its plan to allow major Japanese life and nonlife insurance companies as early as October to enter each other's turf through subsidiaries.

One of the focal points in the insurance dispute is the timing of the subsidiaries' entrance into the third sector.

The third sector accounts for only 5 percent of Japan's overall insurance market. The sector, however, is the major earnings source for foreign insurance companies.

In the overall Japanese insurance market, the foreign share is limited to slightly more than 3 percent, but its share in the third sector alone comes to more than 30 percent.

The U.S. side has argued that Japan should give priority in its market liberalization measures to the primary life and nonlife insurance sectors than to the niche third sector.

If Japan allows the planned subsidiaries to handle third sector products immediately after their establishment, the U.S. is expected to seek trade sanctions against Japan under section 301 of a 1974 trade act, industry sources said.

Japan: Insurance Industry Appraises Talks With U.S.

OW0508113996 Tokyo MAINICHI SHIMBUN in Japanese 3 Aug 96 Morning Edition p 11

[Article by Hidekazu Shirato]

[FBIS Translated Text] The Japanese insurance industry has positively evaluated the postponement in concluding the Japan-U.S. insurance negotiations, saying that an "easy compromise should be avoided," (as stated by a leading life insurance company). The industry is expected to start full-fledged preparations for life and nonlife insurance companies' mutual entry in the each other's businesses via their subsidiary firms in October as scheduled. On the other hand, there is also strong concern over the future developments in the negotiations, which are inimical to the Japanese side. The leading life insurance company stated: "The situation of the Japanese side being urged to make compromises has not changed."

The United States has demanded that nonlife insurance subsidiaries of life insurance companies refrain from selling the so-called third-sector programs such as accident and illness insurance for a set period of time. The Japanese side has presented compromise plans such as the approval of sales of auto insurance policies through the mail — auto insurance is a primary business for nonlife insurance companies. Nevertheless, the two countries have failed to reach an agreement.

The life insurance industry has criticized the United States for having not indicated an attitude of making compromises. The industry stated that the "United States' only and largest purpose was to protect the vested interests of U.S. insurance companies in the third sector, a major source of earnings for U.S. insurers," (as stated by the leading life insurance company). Kenjiro Hata, chairman of the Life Insurance Association of Japan (and president of the Meiji Mutual Life Insurance Co.), said: "It is regrettable that the two countries failed to reach an accord. However, it was a result of the resolute attitude of the Japanese negotiators to maintain Japan's stance, and I would like to express my approval."

Although the nonlife insurance industry got flustered about the proposals for auto insurance deregulation suddenly cropping up at the last moment in the negotiations, it has now appraised the result of the negotiations, saying that the "last fort was held by preventing the complete liberalization in insurance for individuals," (as stated by a major nonlife insurance company). Takeo Iguchi, chairman of the Marine and Insurance Association of Japan, Incorporated (and concurrently president of Mitsui Marine and Fire insurance Co., Ltd.), stated: "We hope the Japanese and U.S. Governments give top priority to consumer interests in their insurance negotiations."

Japan: Finance Ministry Unveils Plan for Nonlife Subsidiaries

OW0508120896 Tokyo ASAHI SHIMBUN in Japanese 3 Aug 96 Morning Edition p 10

[FBIS Translated Text] On 2 August, the Finance Ministry unveiled a plan, which had been frozen, to soon approve the setting up of nonlife insurance subsidiaries by large life insurance companies. The ministry, in consideration of the United States, had previously held up the measure, but since the sale of third-sector accident insurance by these subsidiaries became an obstacle in the stalled Japan-U.S. insurance talks, it appears that any further delay in granting permission will affect the commencement of operations originally scheduled for October.

At the earliest, the Finance Ministry will approve the plan by the middle of next week, and once permission is received, the six major life insurance companies will set up their subsidiaries within a matter of days. At that point, the subsidiaries will seek nonlife insurance company licenses covering the services to be offered.

At the insurance talks, the United States sought a postponement of accident insurance sales. Therefore, it is still unclear how the ministry will handle the services offered in the license application phase, since the issue will resurface when negotiations resume.

Japan: Hokkaido Likely To Accept U.S. Live-Fire Drills

OW0208141096 Tokyo YOMIURI SHIMBUN in Japanese 2 Aug 96 Morning Edition p 2

[FBIS Translated Text] Japan and the United States agreed to transfer live-artillery firing drills, which the U.S. forces in Okinawa currently conduct at Camp Hansen over Prefectural Highway 104, to five locations in the mainland. In this regard, Rikizo Sano — mayor of Bekkai Town in Hokkaido where the Yausubetsu firing range, one of the five locations, is located — said on 1 August that "it is possible that we may approve the relocation plan if all our requirements are met." Although conditional, he indicated for the first time an inclination to accept the relocation in a YOMIURI SHIMBUN interview. Mayor Sano explained the intention to submit to the government a demand that will be composed of three pillars — 1) the U.S. military drills shall be conducted in accordance with strict rules; 2) soundproofing measures for the houses near the range; and 3) measures to promote the regional economy. He then said: "We cannot say 'no' to the government if it says that all of our requests will be accepted."

Japan: Hashimoto Vows To Reduce Okinawa's Bases Burden

OW0408083696 Tokyo KYODO in English 0815 GMT 4 Aug 96

[FBIS Transcribed Text] Otsu, Japan, Aug. 4 KYODO — Prime Minister Ryutaro Hashimoto Pledged Sunday to ease "Okinawa prefecture's accumulated pain" by cutting the size of U.S. military bases in Japan's southernmost prefecture.

In a speech to a meeting sponsored by his Liberal Democratic Party (LDP) in Otsu in western Japan, Hashimoto acknowledged that relations between his central government and the Okinawa Prefectural Government are far from trouble-free.

But he said, "in order to reduce the weight of the (U.S. military) bases, we have to realign, consolidate and reduce them."

Referring to the Japan-U.S. mutual security treaty, Hashimoto said he wants to keep the framework by convincing many other countries that "it is benefiting not only Japan but contributing to the stability of the Asia-Pacific region."

About 75 percent of all Japanese land for U.S. military use is concentrated in Okinawa Prefecture, which accounts for only 0.6 percent of Japan's total land area and is located about 1,600 kilometers southwest of Tokyo.

Japan: Ota 'Unlikely To Comply' on Bases; New Lawsuit Expected

OW0508084396 Tokyo KYODO in English 0744 GMT 5 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 5 KYODO — Prime Minister Ryutaro Hashimoto has ordered Okinawa Gov. Masahide Ota to take procedures necessary for forced rental of land to U.S. military bases in the island prefecture after the governor refused to act on an earlier request, government officials said Monday.

Ota, an advocate for complete withdrawal of all U.S. troops from Okinawa Prefecture, about 1,600 kilometers southwest of Tokyo, is unlikely to comply with Hashimoto's order, setting the stage for another court battle with the central government over the base issue.

Hashimoto ordered Ota in a letter to take administrative steps needed for renewing compulsory leases on privately owned land inside Kadena Air Base and 10 other U.S. military facilities in Japan's southernmost prefecture. The leases will expire next May.

Hashimoto had asked Ota to act by Friday [2 August] as proxy of the mayors of nine cities, towns and villages, where the 11 facilities are located, after the municipal governments refused to put on public display papers required for expropriating land plots.

The land in question, owned by some 3,000 people, totals 129,000 square meters.

But Ota last Friday rejected the demand on the grounds that an agreement between the United States and Japan to reduce the amount of land occupied by U.S. bases by one-fifth does not go far enough and that a similar court battle between himself and Tokyo is pending in the Supreme Court.

In the top court case, Ota has appealed a ruling by a high court which ordered him to sign papers needed for forced lease of land within U.S. military facilities elsewhere on the island. The Supreme Court is slated to hand down its ruling Aug. 28.

If Ota again refuses, as is widely expected, Hashimoto will likely file a suit as early as mid-August seeking to force the governor to comply.

The lawsuit will be the third brought by the government in an attempt to get Ota to carry out what it claims are his gubernatorial duties.

In addition to the Supreme Court case, the government has taken legal action to force Ota to act as a proxy for a village head who has refused to put on public display documents needed to ensure the continued lease of a plot of land inside a U.S. communications facility in the village of Yomitan.

Tokyo continues to allow U.S. forces to use the facility despite the expiry of a lease on the land at the end of March. That case is pending in the Fukuoka High Court, while the owner of the land plot, grocery store owner Shoichi Chibana, filed a suit with the Naha District Court in late July demanding the return of his land.

About 75 percent of all Japanese land for U.S. military use is located in Okinawa Prefecture, which accounts for only 0.6 percent of Japan's total land area.

Japan: Editorial Views Relocation of Live-Fire Drills

OW0308150496 Naha RYUKYU SHIMPO in Japanese 2 Aug 96 Morning Edition p 5

[Editorial: "Fear of Losing Sight of Core Problem — Highway 104 Drill Moves to Mainland"]

[FBIS Translated Text] The government informally decided to relocate the U.S. live-fire drill held over Prefectural Highway 104 to five off-island training fields used by the Ground Self-Defense Force [GSDF] — Yausubetsu (Hokkaido), Ojojihara (Miyagi Prefecture), Kitafuji (Yamanashi Prefecture), Higashifuji (Shizuoka Prefecture), and Hijudai (Oita Prefecture). The exercise by the U.S. Marine Corps [USMC] has long been a target of antibase struggles by Okinawa labor unions and pacifist groups since the 1972 reversion, and some quarters are welcoming the relocation as progress; however, we would like to note that the drill relocation would not settle the fundamental problem of bases in Okinawa. Rather, we say we may fall in dangerous situation.

Not only Prime Minister Ryutaro Hashimoto, but also government and coalition leaders have been saying Okinawa's excessive defense burdens should be shared by everybody in the nation. The relocation to GSDF training fields on a movable basis was determined in this context, but the reality is not as fancy as the announcement by the coalition government. Apparently, the government is trying to distract public attention from the core of Okinawa's base problems.

Our opinion is that now is the time to open negotiations with the U.S. Government on reducing USMC presence in Okinawa. A removal of the USMC to Guam or Hawaii will give the United States no problem on the regional security or strategic disposition under the present circumstances.

The small reduction of live-fire drills at the USMC's Central Training Area (CTA) does not look to us like a step forward. Rather, it is just a proliferation of base problems to all over the country.

Sympathy Is Not a Solution

It appears that the public has several misunderstandings on the drill relocation. These probably come from ambiguous wording in the proposal by the government. Perhaps, the mass media—including us— are to blame, too. The government says the live-fire drill will be "relocated to the mainland." This sounds like the training area will be moved to the mainland, and we can get the entire area of the CTA back.

The reality is, however, the USMC artillery units are just going to occasionally travel to five GSDF training fields to conduct long-range shooting drills. The CTA covers the entire areas of Camp Hansen and Camp Schwab. In the broad area stretching over Onna, Kin, Ginoza, and Nago, the USMC daily conducts live-fire drills of every kind of firearm — 155-millimeter cannons, mortars, antitank cannons, and rifles, as well as combat training with helicopters.

Even if the long-range firing exercise, which requires closure of Highway 104, is moved to the mainland training fields, all other live-fire exercises will be left as they are. There is no guarantee of elimination of misfire accidents. Mr. Minoru Afuso, community leader of Igei District near the CTA shooting range frankly said: "The relocation of the 104 drill will not do us any good. It is just shifting our suffering to mainland people." This is not an emotional comment. He said so because he knows the reality.

Some politicians try to demonstrate their sympathy with Okinawa, saying all Japanese people should share the pain of Okinawans although the 104 drill relocation will not be a sovereign remedy for the excessive presence of U.S. bases in Okinawa. Nevertheless, no dietman says Marine Corps Air Station [MCAS] Futenma or Camp Hansen can come to his hometown.

Tokyo Should Open Negotiation on USMC Reduction

Okinawan people do not want words of sympathy. Politics, the administration, and the public of Japan paid no attention to Okinawa's base problem for over half a century. Now, Japan should fully consider the desirable future of the Japan-U.S. security arrangement — specifically, they should start reviewing the overall scale of U.S. Forces Japan [USFJ].

As taxpayers, we cannot tolerate the government's attempt to increase financial and military assistance to the USFJ on the pretext of the 104 drill relocation. As a condition for the 104 drill relocation, Japan has to bear costs for transporting USMC troops and equipment to the mainland. We, long-time victims of the drill and also taxpayers, are really frustrated with this.

Japan's monetary assistance to USFJ costs, or the so-called "sympathy budget," has long been limited to "logistics fields not involved in combat operations." However, the government is going to expand the assistance to "operational costs" like overseas combats, trainings, and fuel supply. The coalition government and the USFJ are going too far on the pretext of Okinawa. It is a nuisance for us.

Since the tragedy in last September, future return of MCAS Futenma was determined even with a precondition of relocation of facilities. Also, the Okinawa issue was brought up at the latest Japan-U.S. summit talks. It looks great progress is being made on the Okinawa issue, but we are wondering if it is really so. We do not really feel progress because both the Japanese and U.S. Governments adhere to the 100,000-man U.S. presence in the Asia-Pacific region.

Without the former Soviet Union as the potential enemy, Japan should reconsider its security policies, including the framework of the alliance with the United States. Not only the U.S. Forces in Okinawa, the entire USFJ are staying Japan simply by force of habit since the Cold War period. The Japanese and U.S. Governments always play cheap tricks without reexamining the need for maintaining the present strength of the USFJ. Most base-related problems of Okinawa would be settled if the USMC is removed from the island. The government should not afraid of full-scale negotiations with the United States.

Japan: Editorial on Easing Burden of U.S. Bases

OW0408145196 Tokyo MAINICHI SHIMBUN in Japanese 2 Aug 96 Morning Edition p 5

[Editorial: "Seeking Ways To Share 'Pains' of Okinawa Needed"]

[FBIS Translated Text] Touching on the issue of realignment and reduction of the U.S. military bases in Okinawa, Governor Ota has repeatedly said: "I am not proposing to merely shift our 'pains' elsewhere. But if the Japan-U.S. pact is important to our security, I want other prefectures equally to share the burden of hosting American forces." It is safe to say that the governor wants to ask why only Okinawa, where 75 percent of all U.S. military bases and facilities are concentrated, must continue to bear the burden.

On 1 August, both the Governments of Japan and the United States agreed to move the site for "live-fire exercises over prefectural Highway 104" by the U.S. Marine Corps [USMC] to five Self-Defense Forces [SDF] practice sites in mainland Japan beginning in the next fiscal year. Thanks to the agreement, the governor's proposal, which reflects his mixed feelings, will be met in part. However, we wonder how we should evaluate the agreement.

The Japanese Government may be considering that the residents in the mainland will share Okinawa's "pains" as a majority of the nation accepts the Japan-U.S. security pact and as Japan depends on not only the SDF but also the U.S. Forces in Japan [USFJ] for its security.

Nevertheless, the residents of the concerned municipalities in which the practice ranges are located have already shown their stand of refusing to accept the drills. They are unhappy that the decision was made without prior consultations and is about to be imposed upon them. They have legitimate concerns about U.S. units being in their communities.

While about 10 days of shelling exercises are planned annually at each site and no drills can be conducted at all during some years, nearby residents will be subjected to noise and vibrations from the shelling when they begin.

The communities also fear that accidents and incidents will be caused by American soldiers. The gang-rape of an Okinawa schoolgirl by three U.S. servicemen is still fresh in people's memories, while an American sailor was arrested last month after mugging and knifing a Japanese woman in Sasebo, Nagasaki Prefecture, on 16 July.

On the other hand, we must face the question of whether to continue to allow U.S. bases to be concentrated in Okinawa. The present agreement provides a good opportunity for the nation as a whole to renew discussions on the security pact and U.S. bases in Japan. If there is no alternative but to accept the agreement, it should be done on the condition that the Japanese Government continue talks with Washington toward a reduction of U.S. forces and military exercises and the relocation of a part of the forces to the United States.

Actually, there are suggestions being advanced from within the United States that it is possible to scale down the Marines in Okinawa or move all of them back to the United States. But there is no sign that Japan has followed up on the suggestions in the latest talks. We are mystified as to why negotiators simply swallowed the U.S. demands on the frequency and size of the exercises.

Countermeasures must be taken to protect the residents from the vibration and noise caused by the shelling. The government is urged to make efforts in good faith, and without adhering to precedents.

The U.S. military authorities should be required to enforce a strict code of conduct to prevent the men and women under their command from causing accidents and committing crimes. Above all, the governments need to secure the understanding of the municipalities and residents that will share "pains" and shoulder the burden of maintaining the security arrangements.

Japan: Editorial Urges Nationwide Efforts To Settle Base Issue

OW0508122496 Tokyo SANKEI SHIMBUN in Japanese 3 Aug 96 Morning Edition p 2

[Editorial: "Accord on Relocation of U.S. Live-Fire Exercise Reflects Progress in Work To Settle Okinawa Base Issues"]

[FBIS Translated Text] The Governments of Japan and the United States agreed to relocate the site for live-fire exercises across Prefectural Highway 104 in Okinawa to five Self-Defense Force [SDF] practice ranges in mainland Japan, including the Yausubetsu range in Hokkaido and the Higashifuji range in Shizuoka Prefecture. The agreement should be evaluated positively as it has made concrete progress in efforts to settle the U.S. military base issues in Okinawa, including the issue of returning the Marine Corps Air Station [MCAS] Futenma.

In addition to the fact that 75 percent of all the U.S. military bases in Japan are "crowded" in Okinawa, the live-fire exercises — which are conducted about 30 to 35 days a year and require nearby roads to be closed — had been another symbol of the Okinawa military base issues. For the U.S. forces, the site relocation requires them to move one site to another to conduct exercises, and every time the exercise is held, they will have to transport equipment and arms. Moreover, each SDF practice range is in a state of "overcrowding." The SDF is sweating blood over how to allocate practice in each site because each site is flooded with applications by SDF units all over Japan for practice. For that reason, wedging the U.S. forces into SDF practices in each site will have some impact on the scheduling of practices. However, it is unavoidable when the situation facing Okinawa is considered.

As expected, the local municipalities where the five designated sites are located have expressed their stand of rejecting exercises by U.S. forces. Probably underlying their opposition is anxiety about a possible increase in the noise of shelling, destruction of the environment, increase in crimes involving U.S. servicemen, and so on. However, the relocation does not mean building another grand maneuver area. It is allowing U.S. forces to use the existing practice sites. We think an agreement can be reached through consultations. As for criminal acts by U.S. servicemen, it is possible to come up with measures to prevent crimes because the length of their stay in the areas is short.

We see some similarities between the base issues and such public works projects as the construction of a garbage furnace in respect of causing friction with residents concerned. However, if the residents reject the construction of a garbage furnace, it would constitute an obstacle to their living. It is safe to say that it is each citizen's duty to share little by little the burden and pains. So it is with the case of the base issues. As long as we enjoy "safety," we have to pay the price for it. Ensuring safety is not free of charge. So, it goes without saying that a person who has to play a role in persuading the residents of the municipalities where the designated practice ranges are located is the prime minister.

In this way, the mainland will have to increase its share of the burden of providing land for use by the U.S. military. At the same time, Okinawa is required to understand the efforts of people in the mainland. Negotiations on the realignment of the military bases on Okinawa will not progress if the Okinawa Prefectural Office strenuously insists upon its seemingly impossible slogan calling for "the full return of the U.S. military bases in Okinawa by the year 2015." The Supreme Court is to make its judgment in connection with the issue of Governor Ota's proxy signing of paperwork to let the U.S. military use land. If the court gives the same judgment as the high court did it is hoped that, based on the court decision, Governor Ota will take administrative procedures without a hitch and make efforts to normalize the situation surrounding the U.S. military bases on Okinawa.

Japan: Meeting With U.S. on Missile Defense System Set for 7-8 Aug

OW0508081096 Tokyo KYODO in English 0718 GMT 5 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 5 KYODO -- Japan and the United States will hold a working-level meeting on a sophisticated antiballistic missile system in Washington on Wednesday [7 August] and Thursday, government officials said Monday.

The meeting on the Theater Missile Defense (TMD) system will be the sixth in a series since December 1993. The last such session was held in Tokyo in March.

The talks will bring together officials of the Foreign Ministry and the Defense Agency on the Japanese side, and U.S. Defense Department officials, they said.

The TMD project, advocated in 1993 by the administration of President Bill Clinton, is intended to counter incoming enemy ballistic missiles with interceptor missiles targeted by spy satellites.

Japan has yet to decide whether it will participate in the plan, although the Defense Agency set aside 440 million yen for research and development of the TMD under the national budget for fiscal 1996, which began April 1.

The Defense Agency hopes to make a decision in fiscal 1997 whether to take part in the project, according to agency officials.

Tokyo Firms Up Plan To Invite DPRK to Nuclear Safety Talks

OW0508122196 Tokyo ASAHI SHIMBUN in Japanese 4 Aug 96 Morning Edition p 3

[FBIS Translated Text] The government has firmed up its plan to invite the DPRK (North Korea) to the Tokyo conference on nuclear safety to be held this fall in Tokyo. Participating countries will discuss the issue of ensuring safety in Asia, where nuclear power plant construction projects continue at a higher rate than in the rest of the world. Because Japan will be involved in North Korea's nuclear power development program via the Korean Peninsula Energy Development Organization (KEDO), inviting North Korea to the Tokyo conference is considered desirable. The government will now be working through KEDO and other organizations to urge North Korea's participation.

Prime Minister Ryutaro Hashimoto proposed holding the Tokyo conference at the nuclear safety summit he attended last spring in Moscow. According to the Ministry of Foreign Affairs and the Science and Technology Agency, the Tokyo conference is planned for early November, with bureau chief-class officials scheduled to hold working-level meetings. The Group of Seven industrialized nations (G-7), including the United States, UK, and Germany, are expected to participate in the conference. Russia is also expected to participate as an observer.

Discussions will be held over such issues as international procedures involved in claiming compensation for damages in case of accidents, technological cooperation to be extended to various countries to ensure safety at nuclear facilities, and personnel exchanges in regard to nuclear safety. Discussions will also be held on how to manage radioactive wastes safely.

Japan has already sent invitations to nearly 10 countries, primarily in East Asia and Southeast Asia, including the ROK, the PRC, Malaysia, Indonesia, and the SRV. The ROK and the Philippines have reportedly responded positively, and the government is also considering sending invitations to Taiwan, India, and Pakistan.

North Korea is believed to possess research reactors and nuclear reprocessing facilities. These reactors are believed to be graphite-moderated reactors, which can easily be converted to nuclear arms development. Consequently, it has been decided that KEDO, which consists mainly of Japan, the United States, and the ROK, will supply North Korea with two light-water reactors, following the 1994 U.S.-DPRK accord.

According to a report compiled by the Japan Atomic Industrial Forum on trends in atomic plower plant development projects in the world, there were 432 atomic power plants in operation in the world at the end of last year. Currently, most of these are in Europe and the United States. However, none of the 57 ongoing projects are being conducted by the United States, UK, nor Germany; a total of 30, or more than half of these projects, are going on in Japan, the PRC, the ROK, North Korea, India, and Taiwan. Indonesia and Thailand are also reportedly enthusiastic about constructing atomic power plants.

Japan: Antinuclear Group Urges Abolition of Nuclear Weapons

OW0408060796 Tokyo KYODO in English 0524 GMT 4 Aug 96

[FBIS Transcribed Text] Hiroshima, Aug. 4 KYODO — The Japan Council Against A and H Bombs (Gensuikyo), one of the nation's two major antinuclear groups, ended a three-day international conference Sunday by adopting a declaration that called for nuclear weapons to be scrapped.

Some 300 people, including 52 antinuclear activists from 18 countries, attended the meeting held to mark the 51st anniversary of the atomic bombings of Hiroshima and Nagasaki.

In the declaration, Gensuikyo, backed by the Japanese Communist Party, appealed for antinuclear activists worldwide to direct efforts toward the abolition of nuclear weapons.

"We need to unite global opinion toward concluding an international treaty that bans all nuclear tests," Tomoyasu Kawai, a senior official of the Japan Scientists Association, told a press conference.

Gensuikyo criticized the proposed Comprehensive Test Ban Treaty (CTBT) under discussion in Geneva because it would still permit nuclear tests using computer simulation and allow the five declared nuclear powers to retain their nuclear arsenals.

Gensuikyo and a competing major antinuclear group, the Japan Congress Against A and H Bombs (Gensuikin), which ended a similar conference Saturday, are each to open further conventions in Hiroshima later in the day. Each world convention will last three days.

Gensuikin is backed by the Social Democratic Party, one of Japan's three ruling coalition parties.

In a related development, about 1,000 people attended a ceremony in Hiroshima to mourn the deaths of schoolteachers and pupils killed by the Aug. 6, 1945, A-bombing.

The ceremony took place in front of a cenotaph dedicated to them in Peace Memorial Park.

"Who can ensure this tragedy will not be repeated given that there are countries still possessing nuclear weapons?" Said Miwa Okino, 14, who spoke on behalf of children attending the ceremony. "We continue to wish for lasting peace."

Japan: Antinuclear Activists Meet in Hiroshima

OW0308120596 Tokyo KYODO in English 1138 GMT 3 Aug 96

[FBIS Transcribed Text] Hiroshima, Aug. 3 KYODO — Some 120 antinuclear activists discussed various nuclear issues Saturday on the final day of a two-day international conference held to mark the 51st anniversary of the atomic bombing of Hiroshima and Nagasaki.

The participants discussed issues such as the Comprehensive Nuclear Test Ban Treaty (CTBT), currently being negotiated in Geneva, at the conference held by Japan's major antinuclear group Japan Congress Against A and H Bombs (Gensuikin).

Nagahisa Wada, a co-chairman of the group, said at the end of the meeting, "we should make efforts step by step to achieve an international treaty for abolishing all nuclear weapons."

Among the topics addressed Saturday were prospects for the creation of a nuclear-free zone in northeast Asia, nuclear accidents, and how to create a "postplutonium society."

Participants concentrated on the CTBT on Friday, expressing hope that China and India will eventually endorse the treaty.

Gensuikin, backed by the Social Democratic Party, one of Japan's three ruling coalition partners, will open a three-day world convention in Hiroshima on Sunday in the second stage of its eight-day series of annual antinuclear events.

Meanwhile, a three-day international conference organized by another antinuclear group, the Japan Council Against A and H Bombs (Gensuikyo), entered its second day Saturday.

Akito Suemune, secretary general of the Hiroshima Prefectural Confederation of A-Bomb Sufferers Organization (Hidankyo), appealed at the meeting for more public support for A-bomb victims.

Suemune noted almost 51 years have passed since the United States dropped the first atomic bomb on Hiroshima, and that elderly A-bomb victims are dying at an increasing rate.

From 1991 to 1995, 11,192 A-bomb victims died in Hiroshima Prefecture, according to Suemune.

Gensuikyo, backed by the Japanese Communist Party, will conclude its international conference Sunday ahead of the start of its world convention in Hiroshima later in the day.

Japan: Nagasaki Group Sit-In To Protest China Nuclear Test

OW0408060696 Tokyo KYODO in English 0533 GMT 4 Aug 96

[FBIS Transcribed Text] Nagasaki, Aug. 4 KYODO — A group of atomic-bomb victims and antinuclear citizens of Nagasaki staged a sit-in Sunday in protest at last month's nuclear weapons test by China.

It was the 355th protest by the group against nuclear testing.

At 11:02 A.M., the exact time of day that the A-bomb exploded Aug. 9, 1945, over Nagasaki, some 60 participants observed a moment's silence at the foot of the bronze statue of peace which stands in a park at the bomb's epicenter.

Nobuto Hirano, 49, participant and member of an association of teachers who are second-generation offspring of bomb radiation victims, said he hopes this may be their last action.

But the road to complete abolition of atomic bombs is long because data on their use can still be gathered through computer simulation despite the advent of a comprehensive test ban treaty, he added.

The Japanese city of Hiroshima suffered the world's first atomic bombing Aug. 6 1945, three days before the United States dropped the second atomic bomb on Nagasaki on the western tip of the Japanese archipelago.

Japan: Article on PRC 'Challenge' in New Aircraft Development

OW0308032696 Tokyo KYODO in English 2051 GMT 2 Aug 96

[By Geoffrey Murray]

[FBIS Transcribed Text] Beijing, Aug. 3 KYODO - Despite setbacks in finding suitable partners, China is pushing ahead with an international project to develop a 100-seat airliner, which could bring it into direct competition with Japan.

Recent reports from Tokyo suggest the Ministry of International Trade and Industry (MITI) is considering funding the joint development of a regional aircraft for the rapidly expanding Asian market, which is expected to record the highest growth of anywhere in the world over the next decade or so.

Japanese estimates place aircraft demand at more than 4,000 planes up to the year 2015.

The projected aircraft, for which other Asian partners would be sought, would also have 100 seats and would be designed to meet a growing demand within the region for short-haul air travel.

China would certainly be a prime market. Given the vast size of the country, and laggard road and rail development in underdeveloped regions, the government in Beijing is keen to develop air transportation for both passengers and cargo in the years ahead.

Its determination to push ahead with production of a new plane, with an initial production of 1,000 planes for the domestic and regional market, certainly casts a shadow over Japanese aspirations, according to western industry sources.

Originally it appeared that South Korea's Samsung Group would be a major Asian partner in the Chinese project — along with Singapore Technologies Aerospace — and, in fact, the presidents of the two countries had given their seals of approval to a deal.

But the South Koreans dropped out in late June after a dispute over where to base the final production.

China had always insisted there would be only one assembly line and that it would be on home soil, while the South Koreans had been pressing for separate assembly lines in each country.

"The two parties had spent more than two years trying to resolve their differences, but no headway could be made," said an official for Aviation Industries of China (AVIC), the prime shareholder in the project.

Despite this setback, the Chinese were determined to press ahead with the AE-100, and a final contact is likely soon that will almost certainly see AVIC taking a 45 percent stake in the 2.5 billion dollar project, with a European consortium — involving Aerospatiale of France, British Aerospace and Ilenia Spa of Italy — taking 40 percent and the Singapore partner the remaining 15 percent.

But Chinese sources said this would not preclude minor shareholdings being allotted to other partners if necessary — with each of the three main shareholders giving up 5 percent.

Industry sources believe it will take five years for the AE-100 to be developed, and although the initial investment would be high, China's low labor costs would make the project very viable.

Eventually the Chinese hope to see the aircraft largely exported rather than reserved for the domestic market, bringing it into competition with the Boeing 150-seat 737 that currently dominates regional sales.

Apart from the proposed Japanese YSX, other Asian competition is likely to come from Indonesia's state-owned PT Industri Pesawat Terbang Nusantara (IPTN), which wants to build an 80-130 seater jet, the N-1300.

The new European partners in the AE-100, major shareholders in Airbus Industrie, had been locked in fierce competition with main rival Boeing in recent months to replace the Koreans.

Airbus managed to clinch a deal to sell 33 passenger jets worth 1.5 billion dollars to China last April, making a dent in Boeing's domination of the market (currently 70 percent), and with prospects of more to come.

With Sino-U.S. relations somewhat frosty, Boeing has now had to accept defeat and concentrate instead on trying to sell more of its own planes to the Chinese.

An AVIC source explained that the Airbus deal helped settle the issue as the Chinese were keen to have a plane that would be compatible with other elements of the Airbus fleet.

According to European sources, Airbus would also like to involve the Chinese as a partner and customer in a proposed new 550-seat passenger jet as a further challenge to Boeing.

But with their own 100-seat airliner yet to get off the ground, it looks unlikely the Chinese would want to run the high commercial risk of involvement in such a project.

According to Boeing's predictions, the total market for commercial jet sales to China, including Hong Kong, could be worth up to 140 billion dollars in the next 20 years.

Up to the year 2010, China will need to introduce at least 800 airliners into its skies in order to meet rising demand.

Air journeys per capita in China at present are a minuscule 0.02 per year (compared with 2.5 in the United States), but the projection is that this will increase to 0.2 within 10 years.

China has been putting much effort into overcoming the huge gap between its commercial jet production and that of the west, although it has long had an active aircraft industry, churning out some 14,000 military and commercial planes in the past two decades.

Just last may, a joint venture was launched between Xian Aero Engine Co. and Britain's Rolls Royce Co. to make components for RR's aircraft engines, one of which is considered a strong contender to power the AE-100.

In June, Chengdu Aircraft Co. delivered the first MD-90 nose section to McDonnell-Douglas of the U.S. in line with its subcontracting production agreement.

Boeing, meanwhile, is reported to be talking with Harbin Aircraft Manufacturing Co. in northeastern Heilongjiang Province about producing the former's CH-47 helicopter in China.

A transfer of technology for production under license is likely to come before a full joint venture.

Japan: 'Sources' Cite Talks With Taiwan on Senkaku Islands

OW0408154496 Tokyo KYODO in English
1525 GMT 4 Aug 96

[FBIS Transcribed Text] Hong Kong, Aug. 4 KYODO — Japan and Taiwan have held talks in Taipei on their conflicting claims to the disputed Senkaku Islands, Japanese and Taiwanese sources said Sunday.

The sources said the negotiations were held Friday and Saturday between Japanese Government envoy Koji Nakamura, former deputy director general of the Fisheries Agency, and Taiwanese representatives.

It was the first time for the Japanese Government to send an emissary to Taiwan for discussions on the dispute.

Nakamura, who returned to Tokyo on Sunday, declined to elaborate on the talks.

The dispute over the uninhabited islands was renewed after the right-wing Japan Youth Federation built a simple lighthouse on one of the islets July 14 as a symbol of Japan's claim to them. The island chain is also claimed by China and Taiwan.

They are known as Senkaku Islands in Japan, Tiaoyutai Isles in Taiwan and Diaoyu Isles in China.

Nakamura was sent to Taipei in his capacity as head of a marine resources development organization since Japan has no diplomatic relations with Taiwan, the sources said.

Reports from Taipei quoted President Li Teng-hui as welcoming the Japanese decision to settle the issue through negotiations and urging Taiwanese fishermen to call off protests near the Islands.

Taiwan newspapers said Taiwanese fisheries organizations will hold a meeting Aug. 12 to discuss whether to continue protests near the Islands.

Japan: Russian Vessel Fires Warning Shots at Fishing Boats

OW0408022596 Tokyo KYODO in English 0158 GMT 4 Aug 96

[FBIS Transcribed Text] Moscow, Aug. 4 KYODO — A Russian patrol vessel fired warning shots at nine Japanese fishing boats Saturday in the sea south of the Kurile Islands for violating territorial waters, INTERFAX NEWS AGENCY reported.

The boats left the region north of Hokkaido after the shooting but it was not known if there were any injuries or damage, INTERFAX said, quoting Russia's border security authorities.

Several similar shooting incidents have occurred in waters around four Russian-held islands claimed by Japan, sometimes resulting in the death or injury of Japanese fishermen.

Japan: Dietmen on Defense Rights, Deregulation

OW0208134996 Tokyo BUNGEI SHUNJU in Japanese Aug 96 pp 110-124

[Collection of comments by members of both houses of the Diet in a recent BUNGEI SHUNJU survey concerning Japan's right of collective self-defense and its constitutionality, and deregulation: "Survey on Nagatacho: Dietmen Give Insight on What They Think; A Compendium of Dietmen's Opinions"; first paragraph is BUNGEI SHUNJU introduction]

[FBIS Translated Text] A total of 215 Diet members have responded to the BUNGEI SHUNJU survey, a tally of which is given on page 94. We have sorted out the comments given by individual dietmen in the survey, and have collated their comments by the type of answers they gave. We hope this information will prove helpful to readers in understanding what the Diet members are thinking.

A. Positions on the Exercise of Collective Self-Defense Rights and Its Constitutionality

Position 1: The exercise of the collective self-defense rights will not constitute a conflict with the Constitution. The government should revise its interpretation of the Constitution, and should proceed with Japan-U.S. military cooperation activities considered necessary for the security of Japan, with the approval of the people.

Position 2: The exercise of the collective self-defense rights will constitute a conflict with the Constitution. The Constitution imposes too many restrictions on the national security of Japan. What is in order is not to effect a change in the interpretation of the Constitution, but to conduct a public debate with a view to amending the Constitution.

Position 3: The exercise of the collective self-defense rights will constitute a conflict with the Constitution. Questions of whether to participate in the Japan-U.S. cooperation system should be determined case by case, making sure Japan's actions do not exceed the scope of the Constitution.

Position 4: The exercise of the collective self-defense rights will constitute a conflict with the Constitution. Japan should be as negative as possible on military cooperation. Japan should continue to ensure security for itself only by nonmilitary, peaceful means of international cooperation.

Comments of Dietmen Who Chose Position 1, "Kaishaku Kaiken" (achieving the effect of constitutional amendment by changing government interpretation of the Constitution)

Liberal Democratic Party [LDP]:

Toshio Sakurauchi: It is only natural that Japan, a sovereign state, should do it.

Taro Asou: Article 5 of the San Francisco peace treaty states that "Japan as a sovereign state holds the inherent right of individual or collective self-defense as affirmed in Article 51 of the UN Charter." I understand that Japan and the United States recognize the right also in the preamble to their mutual security treaty. Decisions on whether to exercise national rights of security should be made by political judgment. Talking as if the Cabinet Legislation Bureau chief was almighty is the best example of how acquiescent everybody is to the rule of the bureaucrats.

Masajuro Shiokawa: The exercise of force cannot be recognized except for self-defense. We must think about situations wherein it is difficult to differentiate individual self-defense actions from collective self-defense actions. Japan's self-defense actions should be limited to those of individual self-defense. And if Japan needs to get involved in collective self-defense actions, it should do so only with the approval of the people and after formally deciding on the actions as a matter of national policy.

Keigo Ouchi: The legal interpretation that Japan has the rights but cannot exercise them is contradictory, hence should be corrected. But when exercising the rights, full consideration should be given to such questions as what national interests it can bring to Japan, what international contributions it can make, and if civilian control can be maintained.

Bunmei Ibuki: We should review and study "the exercise of collective self-defense rights" based on specific scenarios. I am against a constitutional amendment which will enable going beyond the accepted interpretation of the Constitution.

Akihiko Kumadai: Japan has vested interests in world peace. Securing and maintaining of world peace is essential to the development of Japan. Japan should be proud to exercise its right to defend itself or the right of collective self-defense as allowed under the Constitution, which has its foundation on faith in international justice and order.

New Frontier Party [NFP]:

Shigeru Ishiba: Japan as an independent sovereign state naturally has the right of collective self-defense and can exercise this right against invaders in a war. This fact should come before the question of how the Constitution should be interpreted.

The government says it cannot exercise the right, but the government (the Cabinet Legislation Bureau) has no authority to make such an interpretation. Interpreting the Constitution belongs primarily to the domain of the judicial branch. There cannot be such thing as a right "that exists but cannot be used." A more appropriate way to describe the given condition is: "Japan has the right and can exercise it. But given constitutional and other restrictions, there are times when it will have to refrain from exercising it."

Kansei Nagano: 1) Views on collective self-defense rights vary among people. In a broad sense, the rights can mean providing logistic support and, in a narrow sense, they can mean exercising force per se. (Even as regards the self-defense rights in this survey, respondents would have different understandings.) 2) That is why the government needs to correct its interpretation of the Constitution and to legislate a basic security law and other laws to deal with contingencies. 3) Given the sentiments of the people of Japan as well as neighboring countries, Japan should be discreet in using force at this stage.

Eisei Ito: 1) We should consider the exercise of force as possible if it is for the purpose of collective self-defense and has international approval. As for the exercise of collective self-defense rights, the government should decide, using its political judgment case by case. 2) Participating in the UN forces would be the best way to get world approval. The next best way would be by taking part in actions carried out under UN resolutions.

Shingo Nishimura: According to the government definition of collective self-defense rights, they are rights that can be exercised "even if the country itself were not under direct attack," but that definition is out of international common sense. Collective self-defense rights as commonly understood in international law are the country's inherent right and can be exercised if an attack on a third country "was recognized as an attack on the country itself." What the Japanese Government has done is change part of this definition to make it sound as if they were rights that can be used in an event which has absolutely nothing to do with Japan.

Yukio Hoshino: Legal theories make it clear that the importance of the existence of a nation precedes that of the existence of a Constitution. There is no question Japan holds the natural basic right to defend itself, regardless of whether or not there are clear stipulations of it in the Constitution. Given this reality, the issue of individual and collective self-defense rights is really an issue of deciding what ways and means to take in exercising them, and there should not be any reason to try to distinguish the two. Whether to exercise the rights is a matter of policy.

Comments of Dietmen Who Chose Position 2, "Jomon Kaisei" (Amending Provisions of the Constitution)

LDP:

Yoshinobu Shimamura: Japan's debate over its collective self-defense rights, including the issue of how to interpret the Constitution, will never be able to gain the understanding of the neighboring Asian countries. It will only make them laugh. Japan is now a nation of power and international status. What Japan must do to defend its own peace is to depart from its easy-going thinking that it can live forever free of international obligations on the grounds of the constitutional restrictions. I think it essential that the people realize the importance of maintaining the Japan-U.S. security treaty, which supports the presence of U.S. Forces in Japan, in securing peace and stability for Japan and Asia. And, as a way of building trust with neighboring countries, Japan should also probe for a way of forming a regional security framework that includes China, South Korea, and ASEAN countries.

Shoichi Nakagawa: Article 9 of the Constitution makes us wonder if Japan has the right to use military force even in the exercise of individual self-defense rights. We need to see how the Preamble to the Constitution should be interpreted with respect to collective and individual self-defense rights, and to make necessary adjustments of the interpretation. We must recognize there is a gap between what we need and what we have, and must come up with a definition of collective self-defense rights which do not infringe on the peace of East

Asia. The people should hold debate on a constitutional amendment and the exercise of collective self-defense rights, based on that definition.

Takebu Tsutobu: In the short term, we should do everything we can, going by "Position 3." But in the medium term, public debate on the Constitution should be held in order to deal not only with the issue of Article 9, but also with the issue of possibly adding a clause which declares to Japan and other countries, in easy-to-understand words, how Japan wants to live into the future.

Hidefumi Minorikawa: In case of contingencies, the exercise of those rights would be unavoidable.

New Party Sakigake [Harbinger]:

Asahiko Mihara: We must think what the best policies are to ensure security for Japan and peace for Asia, and then must think if we can carry them out under the framework of the Constitution.

If doing that is deemed difficult, an open debate on the constitutional amendment should be started, with the approval of the nation. One-nation-only pacifism will be criticized as irresponsible by neighboring countries.

NFP:

Kazuo Aichi: It should be only natural to amend the Constitution if its provisions are determined to be impeding the solution of new problems in the new age. A "Constitution Council" should be instituted within the Diet to discuss openly not only Article 9, but also the whole Constitution.

Koichiro Aino: Until such time as debate on the Constitution becomes a nationwide fact, Japan should not decide to exercise force. Japan should bind itself to the so-called rear area support roles, and its activities should be limited to the area of the Far East along the line of thinking in the Japan-U.S. security treaty.

Toshinobu Awaya: A constitutional amendment would hurt the solemnity of the Constitution. We should make careful studies of what the collective self-defense rights represent, and determine what Japan can and cannot do. Actions that belong to a gray zone should be decided by the Basic Security Law. If necessary, a public debate on the constitutional amendment should be conducted.

Shigefumi Matsuzawa: The Constitution is the basic law of a country. If a gap arises between what it stipulates and how it is interpreted (in actual policies), that can lead to the hollowing out of the Constitution, which is undesirable. If we think of national security needs, Japan's Self-Defense Forces [SDF], its collective self-defense rights and its contributions to the United Nations are essential. The right direction for politics to go is to put these things in clear words by amending the Constitution.

Kotaro Yamasaki: The collective self-defense rights based on the Japan-U.S. security treaty violate the Constitution. But Japan should participate actively in security actions based on agreements of the international community (the collective security system through the United Nations).

Koichi Yoshida: If the Constitution's Article 9 is interpreted strictly, the collective self-defense rights would violate the Constitution. Different interpretations can exist, depending on situations — depending on if it is the case of foreign forces providing assistance to Japan in the latter's act of self-defense or if it is the case of the SDF exercising collective self-defense rights overseas, insisting this is for security of Japan. Hence, an open debate is in order as regards the Constitution with the possibility of an amendment in consideration.

Comments of Dietmen Who Chose Position 3, "Kobetsu Suishin" (determining what to do case by case)

LDP:

Toshiaki Endo: For the time being, "Position 3" would be the best choice. Fifty years have passed since the current Constitution was instituted. As such, in it there are now parts which are not befitting the time. We should review the whole Constitution and discuss the problem of Article 9 in the process of that review.

Fukujiro Kikuchi: Japan has a Constitution which is the newest in ideology among the constitutions of advanced countries, and Japan has lived by it since the end of the war. There is no need for Japan to accept the return of the ghost of the "strong power country" backed up by military power.

Ryu Shionoya: The United States has a good understanding of Japan's Constitution. Japan must first of all study to see what it can do within the scope of the Constitution and to determine what kind of cooperation it can provide in contingencies.

Hiroshi Sumi: Security is something which should be discussed all the time. A constitutional amendment should also be the subject of discussion, though I am not saying the amendment should be hurried.

Okiharu Yasuoka: There can arise the situation wherein "the exercise of collective self-defense rights will be clearly necessary" and wherein discussions on the constitutional amendment on condition of the people accepting it will become necessary.

Social Democratic Party [SDP]:

Daikichi Ishibashi: For now, I have chosen Position 3 based on the current interpretation of the Constitution. But there can arise a situation wherein that choice would prove inappropriate. It depends on the international situation in Asia. In that context, it can be said that the time has arrived to give an earnest review to the question of national territory defense and the people's security as well as to the question of the national emergency rights.

Reijiro Sawafuji: Japan should make diplomatic efforts to prevent contingency situations from happening. It is necessary to proceed to maintain security alliance with the United States within the scope of exercising individual self-defense rights. But that cooperation should not be military-oriented. Japan should view the matter from a different angle, and should consider participating in nonmilitary international cooperation related to industrial development, and environment and human rights protection.

Sakigake:

Sakihito Ozawa: It is important that we clearly define what the following four really mean: 1) individual self-defense rights, 2) collective self-defense rights, 3) collective security, and 4) permanent UN forces. The rights in (2) are banned by the idea of pacifism stipulated in Article 9 of the Constitution. Accepting the rights in (2) would mean nullifying Article 9 theoretically. I should say the rights in (2) ignore the people's support of the pacifism envisioned in Article 9 rather than violate the provisions of Article 9 per se.

Akio Nakajima: The current Constitution of Japan was formed under the strong resolve of the country never to run ahead of other countries to get involved in a war — in retrospect of the disasters from the two world wars in the past. The Constitution is believed to reject even a war in the cause of justice. In the long term, what is desirable for the country in doing its part in the security of the world is to make peaceful contributions in such areas as aid on education and environment improvement. In the short term, however, the nation should think about maintaining a limited cooperative system.

NFP:

Morihiro Hosokawa: If I must choose one, I will choose Position 3. What the Constitution bans is the direct exercise of force in situations that have nothing to do with the security of the nation. Providing logistic support on the exercise of force by the international community or the United Nations to secure peace and security for a region or the world should be interpreted in the narrowest sense possible, in view of the idea of pacifism and international cooperation envisioned in the Constitution. But, at the present stage, what Japan must do is sort out what Japan can and cannot do — without resorting to the exercise of collective self-defense rights.

Satsuki Eda: The ideals of the Constitution permit the use of collective security as a basic way of maintaining sovereignty. Japan should participate in international endeavors in this regard and should find the path for international peace and Japan's security through these efforts. Exercising collective self-defense rights to expand a nation's sovereign rights, however, must be banned.

Akihiro Ota: Kaishaku kaiken [Position 1] is not acceptable. If the exercise of collective self-defense rights is unavoidable, then the Constitution itself should be amended. My choice is Position 3, given the current international situation, public opinion and discussions that have taken place since the end of the war.

Masuo Matsuoka: Japan should hold unrestricted public debate on this as a matter of national concern, and should come to set its direction on the issue within the next several years.

Masao Akamatsu: I see some people say a nation without the right of collective self-defense is absurd. But I do not agree with them. Though 50 years have passed since the war ended, Japan should not forget that it is a handicapped country.

Keiichi Ishii: Public debate should start not on the question of whether to exercise collective self-defense rights, but on the question of whether Japan should participate in UN collective security actions and in what manner it should do so if it is to participate in them.

Keigo Masuya: Debate on constitutional amendment is in order, but it is necessary to reconfirm the spirit of the Constitution of Japan. Furthermore, the concept of collective self-defense rights needs to be clarified. The Cabinet Legislation Bureau's views on whether Japan can provide logistic support have lacked clarity. Objective criteria should be set by law.

Seiji Ueda: We must formulate laws and administrative agreements on the use of force in the event of contingencies and disasters. Japan should come up with its own ideas on making international contributions, with emphasis on nonmilitary areas. Japan should also emphasize that Japan-U.S. cooperation is necessary for maintaining peace.

Yuriko Ono: In the future, public debate should be conducted, and the Constitution amended in such a way as to enable the limited exercise of collective self-defense rights if it is meant to help the UN security system function better.

Masayuki Okajima: Public debate should be conducted in the direction of going toward Position 2 in the future.

Katsuya Okada: We need to clarify the meaning of collective self-defense rights. But if this means exercising force, the current Constitution does not accept it, however hard one may try in stretching the interpretation of Article 9. I think it natural that Japan should participate actively in UN collective security actions, but should not even dream about exercising collective self-defense rights. Japan should not go beyond providing logistic support. The government should make public what it thinks belongs to the gray zone, and should declare what is possible and not possible for Japan under the laws.

Tatsuo Kawabata: First of all, there should be discussions on when the need to use collective self-defense rights can arise and on what Japan should do when that need arises. I think a problem is that the people have fallen too deep in discussions on the matter of formality without considering the limitations of the current Constitution.

Kenji Kitahashi: Expanding the government interpretation of the Constitution is dangerous however one may look at it. The government should try to gain public approval by taking the step of legislating the basic law on security.

Akihiko Noro: The Constitution does not approve Japan's direct involvement in military operations, but a broad-range cooperation system like logistic support should be possible and necessary. Japan should study first what it can do specifically, and should implement it. I think the most effective way is to stand by the principle of putting the United Nations in the center, to establish regular UN forces under the command of the United Nations, and to let Japan participate in these forces.

Katsuyuki Hikasa: I do not think the Constitution is an unalterable almighty code. But the talk about amending it to enable the exercise of collective self-defense rights is an absurdity itself. "Discussions on the Constitution" should begin with asking if the current Constitution of Japan is good enough for the 21st century, and they should cover all the major issues like human rights, environment, and security.

Teruhiko Mashiko: I have always said unrestricted discussions should be allowed on constitutional issues and have strongly demanded open "discussions on the Constitution." Japan should do its part in international contributions while abiding by the principle of cooperating with UN peacekeeping operations [PKO]. I am for Japan participating in UN peacekeeping forces [PKF]. I do not agree with Japan participating in multinational forces, but agree with Japan providing logistic support to them. As for the question of Japan becoming a permanent member of the UN Security Council, I accept it on condition that Japan demands abolition of all nuclear arms and a total ban on exports of weapons and that the United Nations will agree to reform itself and reform the system of veto rights for council members.

Comments of Dietmen Who Chose Position 4, "Hi-Gunji" (No Military Cooperation)

SDP:

Osami Imamura: Japan, a nation of peace, needs to show and explain to the world the ideals of its Constitution.

Kenjiro Hatakeyama: I do not object to holding a debate on the Constitution, but cannot accept an amendment in the medium term.

Hideyuki Maejima: I think the Asian situations as represented by the Korean peninsula and China can change drastically in the next several years. It is very difficult for a country to cut back on military strength once built up, or to disengage from international military actions, once committed. It is important that Japan takes initiative in the world's efforts to remove military uneasiness in Asia by holding dialogue with China. That is the way to remove the political uneasiness in the region.

Izumi Yamasaki: We cannot say the situations in Asia and the Pacific are necessarily stable, but there is little likelihood of a war breaking out there. The Japan-U.S. defense cooperation was confirmed by the joint declaration of 17 April, but that does not provide any justification to claim collective self-defense rights or to talk about contingencies in the Far East. What is necessary for peace and stability in Asia and the Pacific is the cooperation and mutual assistance among nations in the region based on the spirit of "security for all the people."

Sakigake:

Koki Ishi: Japan is in no condition to play a military role in the international community. Japan should play a leading role in nonmilitary, peace activities of the Asian region.

NFP:

Osamu Pujimura: Now, there is a change going on in the "interpretation of the Constitution" while "Position 2" is gaining force. I am gravely concerned about this situation. I think the nation is very much in need of "a public debate on the Constitution with the possibility of an amendment in sight."

Koichiro Watanabe: Article 9 of the Constitution clearly bans the exercise of force that goes beyond the scope of self-defense. But I think Japan should actively participate in the UN collective security activities which do not accompany the exercise of force — such as those of providing transportation and medical service.

Japan Communist Party (JCP):

Keiji Kokuta: Japan should not provide military cooperation.

Rikukai Sasaki: The proposed "security" debate centering on the Japan-U.S. alliance-based U.S. demands is nonsensical. The military bases on Okinawa are good examples showing how incompatible the military alliance and the Constitution are. Japan's subordination to the United States and its lack of soul-searching on the past war of aggression are turning the country into a threat to security in Asia once again. A drastic change in the way of thinking is in order.

Tatetoshi Nakajima: Under Article 9 of the Constitution, Japan renounces war and rejects the holding of war potential. I must say this is the fundamental point of postwar Japan. In that context, having the SDF constitutes a violation of the Constitution. It would be absurd if Japan exercised its collective self-defense rights in order to help the U.S. Forces exercise force in operations which have nothing to do with the "security" of this nation.

Seiji Masamori: The Japan-U.S. joint statement has sown a seed of big trouble. The Japan-U.S. security treaty should be scrapped, and Japan should seek to become a nation of nonalliance and neutrality.

Tsuneo Yajima: It should be needless to say that the exercise of the collective self-defense rights constitutes the violation of the Constitution. Military cooperation is not authorized by the Constitution either. The basics of Japan's security policy should be in government firmly upholding the position of rejecting any infringement on the sovereignty and in the people firmly supporting this position in unity. I think the self-defense measures Japan can take are only those conforming to Article 9 of the Constitution. Japan should limit its actions to using the police force or voluntary self-guarding organizations. Armed intervention in international conflicts cannot be a fundamental solution to problems. Japan endowed with its peace Constitution is the country which should lead world peace by making true international contributions.

Other Parties:

Tatsukuni Komori (New Socialist Party): I think the true spirit of the Constitution dictates that Japan rejects any military cooperation.

Yanosuke Narazaki (Civic League; Democratic Reform Union): I have formed together with Hideo Den [of the upper house] the Dietmen's Club to Watch the Redefining of the Japan-U.S. Alliance (suprapartisan group), and we are working with the belief that "Position 4" is correct.

Comments of Dietmen Who Did Not Choose From the Given Four Positions and Presented Their Own Positions

LDP:

Seiko Noda: The exercise of collective self-defense rights conflicts with the Constitution. There should be a public debate to discuss many issues on the Constitution that have been raised but left unattended. Domestic and international circumstances have drastically changed since the days when the current Constitution was drawn up. I think a review of the Constitution from a neutral position is desirable in order to determine if the articles and provisions of the Constitution are still appropriate. And I think the government has belittled or ignored the need to educate the public on the history of the nation and on the Constitution that rules the life of the people. That point should be raised as an important issue in the debate.

Yoshinori Ono: The exercise of collective self-defense rights would conflict with the Constitution, but it is not always clear what specifically would constitute the exercise of these rights (that is, there is a gray zone). As such, the question of U.S. military cooperation should be viewed from the perspective of reality, practicality, and political policy needs. In other words, what the government must do is turn the gray zone into a white zone first. If it wants to begin the debate with the question of collective self-defense rights, it will find itself drowned in a pool of pros and cons in a constitutional debate.

NFP:

Shogo Abe: Because Japan is where it is geographically, I think, the country should do its part by exercising its collective self-defense rights and by participating in the UN police forces, but the Constitution does not permit it. The government should solve the problem of a gap existing between the reality and the Constitution by legislating a "security basic law."

Ryuzo Sasaki: We must hurry with studies on what specifically Japan can do in the way of providing cooperation in the event of contingencies. While proceeding to revise its interpretation of the Constitution, the government must start the public debate on the Constitution with the possibility considered of amending it in the future.

Juntaro Toyoda: Collective self-defense rights and individual self-defense rights are essentially the same thing in that they both are for "self-defense." Consequently, what is important is to define as specifically as possible — via laws or treaties — what "acts of self-defense" are and what "acts going beyond self-defense" are and to strictly ban the nation from getting involved in "acts going beyond self-defense." If possible, it is desirable to make it unnecessary for Japan to get involved even in "acts of self-defense." It is very important that Japan makes active diplomatic efforts in the cause of peace by participating in peace programs of international cooperation.

Hiroyoshi Nishi: There is a major change going on in the world security condition. In order to set the direction for Japan to take in this condition, we need to start a public debate. I personally think the collective self-defense rights are in conflict of the Constitution. In view of the importance of the matter, a wide-ranging free debate should be conducted without shying away from the question of amending the Constitution.

Sakigake:

Fumihiko Igarashi: The exercise of collective self-defense rights would violate the Constitution. In the future, Japan should seek to have the United Nations reformed, and should amend the Constitution so that it can exercise collective self-defense rights as part of the UN forces. A crisis control law should be legislated to prepare the nation for the possibility of armed refugees raiding Japan in the event of contingencies in the Far East. The law should also make clear how far Japan should go in cooperating with the United States in the contingencies. We should take precautions to preclude any extralegal actions.

JCP:

Kazuo Shii: Demands on the use of the collective self-defense rights are tantamount to demands that Japan should cooperate with the United States if something happened in the Asia-Pacific region and the United States intervened in it militarily even though Japan itself is not under armed attack. There is no doubt that would violate the Constitution. Japan is the nation of peace principle by its Constitution, and should never participate in any military cooperation at all. Japan should endeavor to resolve problems by peaceful and diplomatic measures only.

Zenmei Matsumoto: The exercise of collective self-defense rights violates the peace principle of the Constitution. Meanwhile, the Japan-U.S. military cooperation based on the security treaty can be explained only by the collective self-defense rights, which are unconstitutional. The country should terminate its security treaty and conclude a new mutually equal friendship treaty with the United States. Japan should seek peace diplomacy by adopting a policy of nonalignment and neutrality.

Sumi Fujita: Japan should live by the peace principle of the Constitution, and the basic spirit of the UN Charter. Japan should endeavor to resolve conflicts in various places of the world by peaceful and political means. Japan should abandon its security treaty with the United States and choose the path to become a nonnuclear, nonalliance country. Collective self-defense rights are not compatible with the peace principles of the Constitution.

B. Positions on Deregulation in the Economic Community

Position 1: Controls in the economic community should be limited to those aimed at giving special consideration to the absolutely weak people in economy, and all other controls should be eased or abolished as soon as possible based on the principle of liberalism and self-responsibility.

Position 2: Deregulation in the economic community should be enforced gradually — not forgetting to give special consideration to the relatively weaker economically, while taking care so that no chaos will arise from deregulatory actions.

Comments of Dietmen Who Chose Position 1, "Kisei Kanwa" [Deregulation]

LDP:

Seiichi Ota: Controls are necessary; I mean those controls meant to put priority on the issues which are not market-led (like those with social impact as those on environment, historical accumulation, and ethics). But the controls should not be those only to please the weaker people in the economy.

Hidenao Nakagawa: The key to changing the stagnant economy into a newly growing one is in putting dynamism and health into the existing economy. Japan must start on the path of actions by "Position 1" immediately. Only then the rescue of the weak parties in the relative term becomes possible.

Kosuke Ito: The world is in the borderless age. Japan needs a bold deregulation measure in order to be able to win in the international competition.

Koki Chuma: Chaos should be avoided as much as possible, but a bold resolve and willingness to implement is necessary if we want to resolve the problem of huge financial deficits and to take down the rigid central bureaucrat-centered governing system.

SDP:

Yu Amioka: Controls on sale of pharmaceuticals are necessary as they are "social controls" for protecting the lives and health of the people from the risks of pharmaceuticals. Such controls cannot be eased.

Shogo Oki: We are now living in the age of informationization. The Ministry of Posts and Telecommunications's controls on growth of the multimedia industry — such as those for restricting Nippon Telephone and Telegraph's investments overseas — should be abolished immediately. Otherwise, Japan will become an economic third-class country.

Yoshimi Mitsuno: Consideration for the economically weaker is necessary, but the existing fine networks of controls are intended to protect businesses rather than individuals.

Sakigake:

Noboru Usami: When people want to start a new business or develop a new product, it costs them so much to check if their new business or project is in conflict with control rules and to find out what they can do to deal with such controls. In the end, they get discouraged. We should give ourselves three years to implement a thorough system that works on the system of free economy and free competition — by abolishing economic controls and banning new controls.

NFP:

Tatsuo Ozawa: The government has a mistaken understanding of deregulation. The government thinks allowing all shops to sell cigarettes and liquor without restrictions is deregulation. That is nonsense. The government must come up with specific measures of lowering or removing walls in the economic areas which have been pointed out by foreign countries. What the government must do is boldly abolish its own regulations and put in the system of liberalism. The government must first immediately end the controls exercised by the Finance Ministry's Securities Bureau and Banking Bureau, and then remove controls in other offices.

Hiroshi Yamada: After the Cold War ended, the age of global competition began. Uncompetitive nations have fallen from the ranks of the leading group of countries, and now not only foreign-invested businesses but also local-invested businesses are moving out of these countries. If these countries want to recover competitiveness, there is no other way but for them to expose their communities to competition. Competition will also bring down prices and will help improve the quality of life of the people. The Japanese Government should devote itself to performing the function of a referee who ensures fairness of the market, not as an organizer of the economy.

Katsuyuki Ishida: With the aging of the population proceeding at a speed not seen even in the United States and Europe, what is urgent is "financial reconstruction" and "deregulation" to ensure stability in the people's life and make clear who is responsible.

Tatsuya Ito: There is no way of maintaining the vigor of the Japanese economy unless economic restructuring can be done by strategic deregulation.

Hiroshi Imazu: Japan has some 240 trillion yen's worth of deficit-covering public bonds to reimburse. In addition, it has bad deficits amounting to 100 trillion yen. In order for this nation to be a welfare country in the forthcoming era of the elderly population, deregulation is a must, even though it takes firm resolve to carry it out.

Isamu Ueda: A way to enable a soft landing is more desirable, but cost burdens from various existing controls on the economy have grown too big. Bold action is necessary. But the controls which provide social rules on labor, environment, and fair trade should be strengthened — by ensuring transparency of control actions by putting them in clear words.

Masahiro Koga: If there is a choice, the approach by Position 2 is easier to use and desirable in principle, but the problem is that we are in no condition to be able to go by that approach. Given the condition, I will say we will have to follow "Position 1" — by narrowing down subjects to tackle or by deciding the order of priorities of the subjects to deal with.

Tetsuo Saito: If we fail to act promptly — forget about consideration for the economically weak people — the whole of Japan can sink. Consideration for the weak is something that is possible only when the nation has the basic economic power.

Shinji Tarutoko: The society we live in is much more advanced, more complicated, more diversified, and maturer than before. But much of the existing problems are due to "failures by the government" rather than "failures of the market." It is vitally important that economic restructuring be carried out by making maximum use of the market mechanism.

Hiroshi Nakada: Economic controls should be abolished, not eased. The first and important reason is that abolition of the controls is essential to revitalizing Japan's industry and economy. Second, deregulation is clearly an international trend. The choice is whether

Japan should gain merits from the deregulation early by implementing it voluntarily and actively, or it should resist taking in the merits of it by going slow or negatively.

Hiroyuki Nakahama: During the May holiday period, I went to New Zealand and met with former Prime Minister David Russell Lange, who started the economic reform in that country, and incumbent Prime Minister Japmes Bolger, who is continuing the work of reform. They told me about many things Japan could use in its own programs.

Yukio Horigome: It is the natural political responsibility to have consideration for the weak. Existing controls in the economic community are intended to protect big corporations and to enable escorted-convoy type business operations by all industries. The weak cannot be rescued unless the nation is willing to value the independence of individual people and businesses.

Jin Murai: I do not believe in the tale that "everything will go well as predicted" in the deregulation, but this is something we cannot escape if Japan wants to go along with the world.

Kozo Yamamoto: New Zealand's reform has proven that the abolition of regulations will not prove effective enough or will prove totally useless unless done in one fell swoop.

Comments of Dietmen Who Chose Position 2, "Jakusha Hairyo" [Consideration for the Weak]

LDP:

Muneo Suzuki: In remote and sparsely populated areas, controls sometimes are necessary. Large supermarkets can crush small stores in those areas. Should the principles of fairness and competition result in the ruining of the economy of those areas, that will cause another problem.

Hiroyasu Kurihara: I am marking for Position 2 while thinking I should mark for Position 1.

SDP:

Mamoru Kobayashi: The basic purpose for regulations is to set up a system to secure fair and free market competition. We must guard against deregulation that would obstruct, rather than secure fair and free competition. But we must not put economic deregulation ahead of the social regulations that are needed for protection of environment and human rights or for protection of the people's lives, safety, and health.

Tomio Sakagami: Deregulation will only widen the gap between the economically strong and the economically weak.

Takeshi Takeuchi: There are two kinds of controls — economic and social. As for economic controls, deregulation should proceed step by step with special considerations given to the weak. As regards social controls, the views of the local residents or the people should be heeded — for instance, we should see if development programs would impair living conditions or have major impact on ecology.

Yasuo Yamashita: Deregulation should proceed gradually to avoid the rise of social chaos.

Sadao Wada: Deregulation should be implemented as soon as possible, but a precondition is that the rule of "self-responsibility" will apply. We must first prepare conditions that will enable consumers to make judgments and "decisions by themselves" — by providing necessary information. There must also be a system to deal with disputes.

NFP:

Yuichi Ichikawa: Deregulation is a structural reform of the national economy. The government must implement it one by one by setting priorities, while trying its best to avoid the rise of chaos. If the government fails in the deregulation, the nation's economy will never be able to recover. The Keynes theory is intended for one country. If Japan is after a global-scale Keynes policy, I think, the country must decide on priority areas, and open them up. I think Japan should hasten to open up the areas of finance, information, communications, and aircraft.

Kunihiro Hatoyama: From the perspective of popularity and trend, many respondents to this survey would choose Position 1, but what actually is appropriate for the nation is Position 2. Consideration of medium and small businesses is very much in order. We must not even talk about abolishing the business license system for liquor sales.

Motoo Abe: In the controls, there are those that shackle economic development and those that do not. In principle, the rule of liberalism and self-responsibility should apply, and controls should be abolished. Some of the deregulation should be done boldly, but some of it carefully, depending on the content and substance of the controls. So I must say I am for Position 1 in the long term, and for Position 2 at present.

Hiroyuki Aoki: Consideration for the weak is natural and necessary, but essentially, what is most important is to make sure no chaos will arise in the Japanese economy. Deregulation is essential in order to transform the Japanese economy into one that works on the principles of liberalism and the self-responsibility. But we must not proceed to do it even at the risk of inviting chaos in the national economy. We must make efforts to do it in a way to make a soft landing.

Kenji Kitahashi: The social controls such as those to secure the safety of the people need to be dealt with care. Economic controls must be reformed drastically.

Junji Higashi: It depends on the controls at issue. Some of them should be abolished without delay. Actions on them should be taken with firm resolve.

JCP:

Saneyoshi Furugen: If we take the issue of large department stores advancing to local areas, for instance, whatever justifications there may be, there is no doubt their advance will throw a devastating blow on small businesses. In such areas, controls should be strengthened rather than eased.

Seiji Masamori: Deregulation will lead to freer actions and to consequent rule by the strong. There are the controls which should be eased but maintained (like those on safety, food supplies, and public sanitation) and controls which should be strengthened (like social controls on large corporations).

Other Parties:

Hiromi Okazaki (New Socialist Party): I chose Position 2, but I must say it really depends on the substance of the deregulation to be implemented.

Ryuichi Doi (Democratic Reform Union): I take this if this means politics abandoning its role as the banner carrier of the economy — in other words, if this means leaving the economy with the people. What will politics do then? Since politics has the power of readjustment, it should get involved more in the administration. Politicians are expected to work as coordinators and persuaders, not as negotiators representing certain interests.

Comments of Dietmen Who Did Not Choose From the Given Two Positions and Presented Their Own Positions

LDP:

Yoshiro Hayashi: Controls should be limited to those which have reasonable justifications. It does not matter how long they have been in existence.

JCP:

Tetsuzo Fuwa: In the economic community of Japan, the tyranny of big corporations is left unregulated while there are so many bureaucratic regulations which should be abolished or eased from the perspective of protecting the people's interests. There are many areas (like those concerning work hours, subcontracting, and environment protection) where new controls should be introduced or existing controls should be strengthened in order for the nation to come on a par with European countries. The question of whether to deregulate or not should be viewed from two opposing angles with the majority people's interests in mind. The inclination to give precedence to "deregulation" in all areas is not appropriate.

Iwao Teramae: There can be a fundamental difference on the question of deregulation, depending on whether it should be viewed from the position of the people or from that of the business people and big corporations. The measures of deregulation, being sought at present, are those intended to give big corporations "the freedom to earn more" as seen in the proposed abolition of the minimum wage system, the suggested abolition of the system for protecting working mothers now recognized under the Basic Labor Law, or the sought emasculation of major points in the food safety standards. I am opposed to that kind of deregulation.

Mituso Higashinaka: Democratic controls on the tyranny of big corporations should be strengthened. And if I am to speak about "deregulation" for the so-called economic community, I will say deregulation for the interest of big corporations of Japan and the United States will turn the socially or economically weak people into victims, and I object to that kind of deregulation.

Hidekatsu Hoshii: Discussions on this subject have aroused a strange "deregulation-is-everything" fever which reminds me of the the effect of mind-control done by the Aum cult people. The controls that are no longer appropriate for the time should naturally be scrapped. On the other hand, controls that have been instituted for the purpose of ensuring safety and health and gaining liberty and democracy for the people still have very much meaning today, and should be continued. We must never let regulations be eased or abolished across the board indiscriminately regardless of whether deregulation is supposed to be done over a short or long period of time.

Others:

Shokei Arai (independent): If the word deregulation means promoting the perfect market-oriented economy and globalism, then that is incompatible with my view of the nation and the people. The society needs stability and continuity (traditions), and is made up of many things which cannot be produced or protected by the market mechanism alone. I do not think taking down the economy into small split-up "economic units" means more liberty or advance. We have responsibilities not only for ourselves but also for many historical assets we have inherited.

Question A: The Right of Collective Self-Defense and Constitutional Issues:

Position:

I	II	III	IV	Others
LDP:				
Taro Asou, Yoshio Sakurauchi, Bunmei Ibuki, Masajuro Shiokawa, Keigo Ochi, Muneo Suzuki, Seisuke Okuno, Sadanori Yamanaka, Akihiko Kumashiro	Kosuke Ito, Tsutomu Takebe, Seiichi Ota, Yoichi Tani, Hachiro Okonogi, Shoichi Nakagawa, Hirohisa Kurihara, Yasukazu Hamada, Hiroyasu Kurihara, Yoshiyuki Hozumi, Yoshinobu Shimamura, Hidefumi Minorigawa, Noriaki Watase	Toshiaki Endo, Ryu Shionoya, Ihei Ochi, Hiroshi Sumi, Hajime Ogawa, Osamu Takatori, Sadanori Ozato, Sadakazu Tanigaki, Fukujiro Kikuchi, Koki Chuma, Mitsuzo Kishimoto, Takumi Nemoto, Tetsuo Kondo, Nobuyuki Hanashi, Fumiaki Saito, Takeshi Hamano, Shinji Sato, Okiharu Yasuoka, Shunichi Yamaguchi	Reiichi Takeuchi	Yoshinori Ono, Seiko Noda, Hidenao Nakagawa, Yoshiro Hayashi
SDP				
		Yu Amioka, Masao Sakon, Seiichi Ikehata, Reijiro Sawafuji, Taikichi Ishibashi, Shoji Tanaka, Kosuke Uehara, Aogu Matsumae, Shogo Oki, Ryu Matsumoto, Azuma Koshiishi, Sadao Wada	Satoshi Ishii, Koken Nosaka, Osamu Imamura, Kenjiro Hatakeyama, Mamoru Kobayashi, Kenichi Hamada, Tomio Sakagami, Masaru Hayakawa, Nobuyuki Sekiyama, Hideyuki Maeshima, Takeshi Takeuchi, Yoshimi Mitsuno, Kenji Taguchi, Yasuo Yamashita, Kazuhiko Tsuji, Izumi Yamasaki, Tsuruo Yamaguchi	
Sakigake				
	Asahiko Mihara	Noboru Usami, Masayoshi Takemura, Sakihito Ozawa, Akio Nakajima, Koichiro Genba, Yukio Hatoyama, Yuichi Takami, Susumu Yanase	Koki Ishii, Seiichi Kaneta	Fumihiko Igarashi
NFP				
Motoo Abe, Kentaro Kudo, Shigeru Ishiba, Kansei Nakano, Eisei Ito, Shingo Nishimura, Tatsuo Ozawa, Yukio Hoshino, Atsushi Kanda, Hiroshi Yamada	Kazuo Aichi, Hiroshi Nakada, Koichiro Aino, Tokihiro Nakamura, Hiroyuki Aoki, Taiichiro Nishikawa, Toshinobu Awaya, Junji Higashi, Katsuyuki Ishida, Hajime Funada, Yuichi Ichikawa, Shigefumi Matsuzawa, Hiroshi Imazu, Seisuke Miyachi, Ichiro Kamoshita, Jin Murai, Kodo Kohata, Kotaro Yamasaki, Masahiro Koga, Koichi Yoshida, Megumu Sato, Kenzo Yoneda, Tetsuo Saito, Sanae Takaichi, Yukio Jitsukawa, Shinji Tarutoko, Hiroshi Nakai	Masao Akamatsu, Muneaki Samejima, Keiichi Ishii, Yosuke Takagi, Tatsuya Ito, Shigeyuki Tomita, Isamu Ueda, Akihiko Noro, Kiyoshi Ueda, Kunio Hatoyama, Satsuki Eda, Katsuyuki Higasa, Tetsuma Esaki, Yoneo Hirata, Otohiko Endo, Tetsuzo Fuyushiba, Akihiro Ota, Morihiro Hosokawa, Yuriko Ono, Ikuo Horigome, Masayuki Okajima, Keigo Masuya, Katsuya Okada, Masao Matsuoka, Masatoshi Kawai, Teruhiko Mashiko, Minoru Kawashima, Koji Morimoto, Takenori Kanzaki, Yasuhide Yamana, Kenji Kitahashi, Takashi Yamamoto, Shigeki Sato, Tatsuo Kawabata	Osamu Fujimura, Koichiro Watanabe	Shogo Abe, Hiroyuki Nagahama, Yuriko Koike, Hiroyoshi Nishi, Ryuzo Sasaki, Kozo Yamamoto, Juntaro Toyoda, Natsuo Yamaguchi
JCP				

			Keiji Kokuta, Mitsuo Higashinaka, Rikukai Sasaki, Saneyoshi Furugen, Iwao Teramae, Seiji Masamori, Taketoshi Nakajima, Tsuneo Yajima	Kazuo Shii, Tetsuzo Fuwa, Sumi Fujita, Zeamei Matsumoto, Hidekatsu Yoshii
Independents				
	Chikara Nakamura	Banri Kaieda, Ryuichi Doi, Shinichi Koizumi, Kenji Yoshioka	Shigeru Goto, Hiromi Okazaki, Yanosuke Narazaki, Tatsukuni Komori	Shokei Arai

Japan: Hashimoto Administration Can Say 'No'

962A0042A Tokyo VOICE in Japanese Mar 1996 pp 122-130

[Article by Tetsuya Kataoka, senior researcher, Stanford University Hoover Research Center: "The Liberal Democratic Party (LDP) has transformed itself into an "ordinary conservative party" as a result of Japan.-U.S. comprehensive talks"]

[FBIS Translated Text] The Hashimoto cabinet has been formed as an extension of the three-party coalition comprising the LDP-Social Democratic Party of Japan (SDPJ)-Sakigake. "Government by a Wise Old Man" has ended, but no changes have been made in policy matters because survival of the coalition was the foremost objective in the formation of the new cabinet. The government has inspired anger on the part of the public in connection with the disposition of the "jusen" [housing oan companies] issue. Just about this time, the New Frontier Party (NFP) — which had previously relinquished control of the government after undergoing Japan-bashing by the Clinton administration and biding its time — shifted to the offensive. These developments take the clock back to a situation similar to June 1993 when the Miyazawa cabinet nonconfidence vote was passed, calling for a new political restructuring.

The near term goal is the formation of an authentic, independent, conservative, and stable government. It would probably be overly optimistic to think that an authentic political party could be born without any deliberate effort and by just haphazardly repeating elections under the single-seat constituency system. Such a process may result in the elimination of the Social Democratic Party of Japan [SDPJ] (current Social Democratic Party: SDP), but it is inconceivable that a blueprint does not exist for the creation of a new political party. If we were to establish a theme for a national objective, there would be no other than the one addressing the creation of an "ordinary nation." The creation of an ordinary nation will require that Ozawa constantly assume the offensive in pressing for such a goal.

Japan-U.S. relations have been brought to a low of 40 out a possible score of 100 because of developments evolving out of the comprehensive talks. Currently, that index is gradually rising and stands at around 60. If Clinton's visit to Japan in April results in a joint declaration of restoration of normal relations, the ratings should climb to around 80. Now that the presidential election process is underway, nothing unexpected should take place between Japan and the United States. We would be grateful if the Republican Party should win, but the current prevailing outlook calls for a victory by Clinton.

Even if he should win, we should not see a repeat of Japan-bashing. The reason is that the Japanese government has taken precise, appropriate measures during the comprehensive talks. Such actions suggest that an epochal change has taken place in Japanese diplomacy. Japan has regained diplomatic independence and has become a "Japan that can say No." This means that Japan-U.S. relations have been normalized and that we will witness the coming of an age devoid of external pressure. These developments are foreshadowed by a political restructuring.

This article will examine the political dynamics serving as a backdrop in the creation of a "Japan which can say "No" and the near-future new diplomacy of Japan.

I. Conservatives who said "No" twice

It was Ichiro Ozawa who made the restructuring of the political world the final objective of political reform. It would not suffice to merely suppress corruption. Establishment of a two major party system would not suffice. The goal was a far-sighted one calling for the creation of an authentic conservative party.

However, political reform and Japan-U.S. trade negotiations in the form of comprehensive talks are issues that have taken place at the same time. Seeking trade concessions, the U.S. government initiated actions aimed at intervention in internal government affairs. Concurrently, the reformists relinquished government control, and the conservatives were restored to government. However, it was the conservative LDP which said "No" to Clinton.

Moreover, it said "No" not only once but twice. The first occasion was when Minister of International Trade and Industry Hashimoto rejected Kantor's demands for numerical goals. The second "No" was expressed because Clinton declined to attend the Asian Pacific Economic Cooperation (APEC) Osaka conference. When the SDPJ began to undergo turmoil because of the Okinawan child rape incident, Prime Minister Murayama made an attempt to resolve both the security and U.S. military base opposition issues simultaneously. He was an "inept person" who tried to resolve the issues by "negotiating" with Governor Ota.

It was about then that President Clinton was supposed to have visited Japan to reconfirm the security treaty. At this point, the prime minister, who wished to attain "some tangible results," took advantage of Defense Secretary Perry's proposal to reduce the scope of U.S. military bases, by inquiring about the potential for a reduction in U.S. military personnel. The proposal, which originated in the leftist factions of the SDPJ, must have alarmed the Pentagon. Unless the budding issue were not nipped and "negotiations" were entered into, there was the risk of creating a repeat of the 1960 security turbulence.

This is when Clinton notified Japan of his intent to decline the invitation to attend the Osaka conference. During those days, the prevailing view was that Murayama would use the "APEC conference as the grand finale of his tour as prime minister." The view was that the prime minister would transfer government powers to the next cabinet, upon completion of the Osaka conference. However, Clinton, who was to attend the Osaka conference, expressed an unwillingness to attend unless Murayama resigned as prime minister.

I would assume that the National Security Council underwent turmoil in reaching this decision. Clinton had already exercised influence over the departure of Miyazawa, Hosokawa, and Hata cabinets. Undercutting even the Murayama cabinet would be none other than tantamount to pouring gasoline over a fire. However, the council probably reached a conclusion because the Pentagon, which was consistently enthusiastic about a Clinton visit to Japan, chose to side with those opposing the visit. An inquiry was placed about a presidential visit to Japan in January.

However, the leaders of the Murayama cabinet began to circulate newscasts about an "April general election." The idea was that he would remain in office until then. In other words, he would not resign until Clinton visited Japan. However, a proviso imposed was that the proposal to reduce U.S. military personnel would be shelved. At this point, it was agreed that Clinton would make a concession and visit Japan in April. If the visit were to take place just before the election, it would be made with the knowledge that Clinton would be aiding Murayama with his election efforts.

The foregoing represented the second stage of independent diplomacy. These developments also represented the political structural changes taking place as a result of the comprehensive talks. The recovery of independence is something that is sufficient to celebrate without reservation. Japan-bashing and diplomacy based on external pressure had ended.

Ichiro Ozawa's book titled, *Blueprint for Building a New Japan* does not clearly say so, but the bureaucratic brains who wrote the book unquestionably thought of "Japan-U.S. parity" as one condition of an ordinary nation. Ozawa himself has written that his motivation for political reform was to extricate Japan from the humiliating diplomacy in connection with the Gulf war. Domestic and diplomatic affairs are facets of government and Ozawa was attempting to reform both programs.

That being the case, you might say that little progress was being made on domestic programs in relation to political reform, but that greater progress was being made on diplomatic programs.

Such progress was connected with the interlinking of the comprehensive talks and political reform. Or, perhaps, this should be referred to as "dual progress." This matter was covered in detail in an article titled, "Clinton's Melancholy" in the January 1996 edition of this magazine, and will therefore be excluded from this article.

The reason why the comprehensive talks underwent such turbulence is that trade friction and the Japanese political power struggle occurred simultaneously. When the Clinton administration imposed the difficult issue of mercantilism on Japan in 1993, it tried to take advantage of the split between the reformists and the conservatives of the Japanese political world. It attempted to create a competitive situation between two factions by extending support to the side which it felt was susceptible to manipulation.

Ichiro Ozawa did not overlook pressure from the United States. He thought of making maximum use of such pressure. When the noose constituting the Ozawa encirclement effort was being tightened in the spring of 1993, he increased his contacts with Hosokawa of the Japan New Party and spread the view that the reformists would oppose deregulation, market openings, and bureaucratic systems. Clinton did not overlook this message. In reality, when he visited Japan for the Tokyo Summit in July, the president in effect provided political support to the non-LDP coalition.

To the LDP and Prime Minister Miyazawa, who had maintained a perennial ruling party for 38 years, this was a major issue of serious proportions. The secret to maintaining a successful perennial ruling party rested with the maintenance of the security treaty and the alliance with the United States. Since the SDPJ was anti-American, the United States was unilaterally faithful to the LDP to the extent of being comical. However, it became a situation in which the close ally, the United States, undermined the LDP. The security treaty and preservation of an administration were two different issues. Preservation of an administration calls for the establishment of a majority. The question became, what choice would be made if it became a matter of choosing between preservation of an administration and maintenance of the security treaty? This became the point at which the weaning of the LDP began.

However, Prime Minister Miyazawa rejected the idea of a weaning. At that point, he flashed two messages. First, he asserted, in an interview with the WASHINGTON POST, that Japan was a nation which submitted itself to external pressure. Second, he agreed to a "criteria" which was very similar to the numerical targets demanded by Clinton. Such moves can be considered to have conveyed the message that if the United States would deal with the LDP instead of Ozawa, the Japanese government would respond with actions which were favorable to the United States.

However, the United States always continued to view situations in accordance with its own preconceptions. Clinton and Mickey Kantor were already influenced by non-LDP messages which spoke of deregulation, market openings, and opposition to bureaucracies. They had misconstrued facts believing that reformists opposing bureaucratic principles would support controlled trade managed by bureaucrats. That is why they snubbed the Miyazawa cabinet and welcomed the Hosokawa cabinet. That development led to the fall of the LDP to opposition party status. Moreover, it lost control of the government because of a diplomatic issue.

II. "Yoshida versus Hatoyama" and "Ozawa versus Anti-Ozawa"

An understanding of the magnitude of the earthshaking nature of the foregoing developments requires a dissertation on postwar political history.

Shifts in government control in postwar Japan took place as a result of fierce competition between former bureaucrat politicians led by Shigeru Yoshida and career politicians led by Ichiro Hatoyama. The peak period of this struggle between the two groups extended during the several years from the San Francisco Peace conference to 1955 coinciding with the creation of the LDP. During those years, the Socialist Party shifted its allegiance between Yoshida and Hatoyama and provided the swing votes.

The struggle between Yoshida and Hatoyama was similar to but far more gruesome than that between Ozawa and anti-Ozawa groups. You might say that the struggles were true portrayals of partisanship. It was a case where both parties would do anything to win control over the government. The point of dispute between the two groups was a question of rearmament or pacifism in defense of the constitution, an unmistakable diplomatic issue.

Whenever Yoshida of the Liberal Party was in control of the government, Hatoyama and the Socialist Party collaborated. However, the Liberal Party declined in strength in conjunction with the "surprise dissolutions" or "idiot dissolutions" followed by elections. In the elections following the "idiot dissolution," the Socialist Party had almost succeeded in naming Mamoru Shigemitsu as the prime minister. The Hatoyama cabinet was able to see itself created because of supporting votes from the Socialist Party. Needless to say, the Socialist Party was enjoying an increase in parliamentary seats. The Socialist Party had grown and had contributed to a decision on the designation of a prime minister.

However, when the Korean War had ended such idiotic actions could not be condoned. They came to the conclusion that such situations could jeopardize the security treaty and Yoshida and Hatoyama laid aside their differences and formed a conservative alliance. Subsequently, the Socialist Party was stymied by a "one-third minority barrier" and remained a perennial opposition party.

Even after the Liberal Party and the Democratic Party became the LDP, friction between Yoshida and Hatoyama persisted. The Yoshida School came to control the LDP after the 1960 struggle over the security treaty. At that point the LDP became a monolith, but factions were formed to serve as the basis for an intraparty power struggle. Concurrently, relations between the LDP and SDPJ were transformed into an affiliation. The LDP advocated high-growth and doubling of personal incomes to decimate the membership of labor unions which support the Socialist Party, while assuming a low-profile political stance in stressing "politics based on perseverance and tolerance" to the management of the same labor unions.

The commencement of LDP-Socialist Party affiliations led to retrogression in the diplomacy of the LDP administration because of seemingly ill-advised management of such programs. The Socialist Party was constantly intervening on pacifist issues, but failed to speak out on other issues. It would fail to exercise any concern regardless of the severity of the foibles committed by the government in the area of diplomacy. Even if an incident arose which in other nations would be fatal to the cabinet, Japan would remain tranquil.

As an example, an incident arose during the days of the Suzuki cabinet. Prime Minister Zenko Suzuki, who assumed office just when hawkish Reagan became president, became perplexed at the demands for military expansion. Even then, Suzuki was spoofed by the Ministry of Foreign Affairs into reluctantly arriving at an agreement for the maintenance of sea lanes; i.e., the overseas deployment of Marine Self Defense Forces troops and the announcement of joint communiques during Suzuki's visit to Washington.

However, after returning to Japan, Suzuki began to express discontent with the joint communique that he himself had issued. He was insisting that he had reluctantly approved a position recommended by the Ministry of Foreign Affairs. Minister of Foreign Affairs Masayoshi Ito resigned in protest. At that point, the Socialist Party applauded the position taken by Zenko Suzuki.

It was a case where any form of ill-advised diplomacy was acceptable, as long as a rebellion did not take place within the LDP. In fact, The LDP was more popular with the Socialist Party if it made mistakes in the area of diplomacy. Those conditions served as the structural basis for capitulating diplomacy.

LDP affiliations deteriorated into terminal conditions during the days of Shin Kanemaru and Makoto Tanabe. The SDPJ Diet Countermeasures Committee chairman was often invited to the Kanemaru residence to eat dinner, engage in karaoke sessions, and generally conduct himself obsequiously before Kanemaru.

It was under such conditions that Shin Kanemaru made a visit to Pyongyang. Kanemaru made an overture that promised economic assistance to Kim Il Song, but he justified the action by admitting to mistakes in postwar Japanese government errors in diplomacy with North Korea. This issue became an issue in the media. However, it was Tanabe who had urged Shin Kanemaru to visit Pyongyang and there was no way in which the action could become an issue in the Diet. As a result, tranquillity prevailed in the administration.

Essentially, it was a case where the LDP merely had to grovel to the United States. Quite a few actions were taken to ingratiate the United States, but the Socialist Party was unconcerned.

Clinton and Ozawa were able to overturn the LDP in short order. Intraparty disintegration and party departures began and the future of the LDP became hopeless. It was agonizing to become an opposition party. Concurrently, the LDP was overcome by the desire to cling to a rock or take any other action to satisfy its desire to regain government power.

Such conditions became the basic elements of partisanship. Such conditions did not exist in Japan in the older days, but are commonplace in foreign countries undergoing changes in government. Such desire for power inevitably becomes degenerate. Concurrently, they represent conditions which are indispensable for a major two-party system.

Clinton was surprised by Prime Minister Hosokawa's rejection of numerical goals. Simultaneously, he recalled Miyazawa's message that the LDP is easier to deal with. At this point, Clinton clashes with Hosokawa and lends a hand for the LDP to regain government control.

The minute Clinton parted ways with Hosokawa, the LDP dispatched an investigation team to Kumamoto and screened all available information concerning Hosokawa beginning with his sex life and ending with his family budget. This action gave Japanese politics the same status as that of U.S. politics.

The Republican and Democratic parties are now engaged in a bloody presidential election. They will do anything to win the prize known as the White House. As an example, a sexual harassment suit has been filed against Clinton for having enticed a female state employee with the aid of the state police into a hotel where he allegedly exposed himself before the female guest. A commentary was published in the WALL STREET JOURNAL that made reference to the "peculiarities of Clinton's sexual organs." Such references demonstrate how desperate the Republican Party has become over Clinton's climb in popularity.

III. Japan exists because of the LDP and the United States exists because of Japan

Next, the Clinton administration undercut the Hata cabinet. As a result, the LDP succeeds in regaining government power. Kantor would attempt to take advantage of Miyazawa's assurances about the ease with which the LDP can be dealt with and asked for numerical goals. However, this approach proved to be a miscalculation.

The LDP, which had been existing in the status of an opposition party for a whole year, had undergone a complete change. The LDP — which in the unabashed public pronouncement of Shin Kanemaru spoke of "A Japan which exists because of the United States, but it is not a case where the United States exists because of Japan," — had undergone a complete change. The Miyazawa faction which had assumed responsibility for the collapse of the party was on the verge of dissolution. The new LDP slogan had changed to "Japan exists because of the LDP and the United States exists because of Japan." The party executives had appointed Ryutaro Hashimoto, who was able to say "No" to the United States, as minister of international trade and industry. Hashimoto, who had triumphed during the trade negotiations, defeated Yohei Kono of the Miyazawa faction in assuming the presidency of the LDP.

That event marked as a minimum the transformation of Japanese politics at least in terms of diplomacy. The premise was that an opposition party would exist which would keep a sharp eye out in search of the opportunity to regain government power. That being the case, he could not pretend to embrace the words, "A Japan which exists because of the United States." He would be unable to abandon government powers for the sake of international goodwill. Such an approach would lead to egotism.

The Japanese government was able to persist in its rejection of numerical goals largely because of the courage, just logic, and discernment of the Ministry of International Trade and Industry bureaucrats. This fact is just the way I indicated in my article published in SHOKUN of December 1995 and titled, "Japan Won in the Japan-U.S. Negotiations."

However, that victory was [illegible] attainable only on the strength of bureaucrats. The Japanese constitution provides for the senior position of parliament, and the negotiations could not have been concluded to the advantage of Japan without the backing of Hashimoto and the LDP.

Signs of Japanese independence relative to diplomacy can be seen in other areas. A good example was the resignation of Management and Coordination Agency Director General Takami Eto. Eto prefaced his statements as being off-the-record and made a frank statement concerning the Japanese rule of Korea. The statement was leaked by a stupid newspaper reporter and then conveyed to the TOA NIPPO. Such actions fit the pattern of erstwhile servile diplomacy. However, the LDP executives initially refused to remove Eto from his position. The reason was that fear existed of the probability that Ozawa of the opposition party would attack the "weak-kneed posture of the LDP."

However, Political Affairs Committee Chairman Kozo Watanabe of the New Frontier Party (NFP) took action which was contrary to previous behavioral patterns. He charged that Eto should be fired. Then, the LDP took action just as Watanabe demanded. However, several days later, Ichiro Ozawa issued a statement which criticized Watanabe. His position was that if Japan did everything that South Korea insisted and limited its actions to apologies, Japan-South Korea relations would not improve. If Ozawa were the party leader and had suppressed Watanabe, the situation may have evolved in the opposite direction.

There may come a time when politicians will appear who instill nationalism. This may pose some dangers, but the arrival of a major two-party system would make such a phenomenon inevitable.

The Clinton administration's policies towards Japan were so ill-advised that Japanese political reform and political restructuring have retrogressed to the starting point. Political reform must now catch up with independent diplomacy. The objective should be a domestic political system which satisfies the requisite conditions of an ordinary nation. The Japan-U.S. security system is in jeopardy if arrangements cannot be made for overseas deployment of military personnel in support of the U.S. military. Independent diplomacy was established solely on the basis of a major two-party system. However, such diplomacy is limited to political independence. Such diplomacy is of no value in emergencies. The Japan-U.S. alliance cannot be maintained without an authentic conservative independent stable government.

IV. A Fleeting Temporary Lull

The Japanese security environment probably appears to have improved considerably when compared to the time I wrote the article titled, "Premonitions for a Japan-China Military Alliance," published in the April 1995 issue of this magazine. At that time, the Japan—U.S. alliance was languishing in darkness. Clinton was lost as to the advisable course of action to be taken with respect to Bosnia and Herzegovina. He dispatched troops to

Somalia and Haiti, but quickly withdrew them when they were exposed to intimidation. Even in the case of North Korea, he surrendered to threats from Kim Il Song, avoided sanctions, relegated the issue of residual plutonium to oblivion, and accepted a compromise calling for grant aid in the form of a light-water reactor. And, on the automotive negotiations, he threatened to impose sanctions on Japan.

There was no theoretical logic to a complete withdrawal of the U.S. military from the Asian theater. However, notwithstanding, the situation was such that consideration had to be given to such a contingency.

However, subsequently, U.S. military units were deployed to Bosnia to prevent a collapse in NATO. In Asia, the United States engaged in a confrontation of sorts with China over the Taiwan issue. Relations with Beijing are still far from being repaired. Further, it is trying to steamroller Russia on the issue of deploying NATO into Eastern Europe.

Major victories by Communist Gannadi Zyuganov and the Nationalist General Alexander Lebed in the recent parliamentary elections represent a normal reaction to U.S. steamrollering. Needless to say, the U.S. media is awash with distorted observations alleging the elections reflect an explosion of social discontent because of unfavorable Russian domestic economic conditions.

Further, President Clinton himself is engaged in spreading the image of the "Diplomat Clinton." Public opinion in the United States had declined to the lowest levels along with appraisals of Clinton himself, but it appears U.S. public opinion now basks in the self-complacency that "the world does not move without the aid of the United States."

However, there is no way that we can say that the United States has succeeded in settling down after establishing a basic diplomatic course. Even if we currently enjoy a lull, it would be more appropriate to say that conditions reflect a situation reached as a result of three years of on-the-job training by an immature president named Clinton. This lull is no more than an ephemeral situation.

The most logical and honest internationalists on the American scene consist of the diplomatic establishment existing in the Boston-New York-Washington corridor. They include leaders among retired military officers, politicians, government officials, academicians, the financial elite, and the media. However, this establishment has lost the kind of influence it exercised during the Cold War.

We exist in an age when publications like the FOREIGN AFFAIRS magazine and the NEW YORK TIMES blindly follow the likes of Mickey Kantor to agitate the public with Japan-bashing articles. The WALL STREET JOURNAL stood alone in consistently and directly criticizing U.S. policies towards Japan in connection with the comprehensive talks.

The "Diplomat Clinton" refers to nothing more than a superficial anecdote concocted by the White House staff. This president is unprincipled, is of defective character, and the public should not be deceived by him. The deployment of troops to Bosnia represents a search for votes in the upcoming elections. The deployment is timed so that the troops will withdraw during the November presidential elections. The "Diplomat Clinton" will survive only during the election campaigns.

I believe no attacks will take place against the U.S. military units. It would be ludicrous to attack military units which have been publicly committed for withdrawal in November. However, the peace agreement signed in Dayton is replete with flaws. The provisions call for the United States to issue weapons to the Moslems, but to maintain neutrality. I would say that the potential for ultimate success of the peace process is barely 30 percent. It appears that the assignment of a potential success rating of 40 percent would be overly optimistic.

The most puzzling aspect of Clinton diplomacy consists of NATO expansion. It evinces only the appearance of imperialism designed to torment Russia. And, it is obscure as to who is promoting such programs. Anthony Lake, a feeble intellectual of the National Security Council, is supposed to be project manager, but his programs are confusing at best.

When the United States reached an agreement with Gorbachev on the unification of Germany, it promised not to station NATO military units in East Germany. However, contrary to such a promise, it has assumed the arbitrary interpretation that it is acceptable to expand troop strength in areas outside of East Germany. If it chooses to expand its military influence to the Baltic states, such action would constitute nothing more than a challenge to Russian military security.

It is also puzzling as to why a United States, which is withdrawing from other global regions, is in the process of expanding its military units in the East European area. Policies which lack theoretical logic are doomed to fail. No guarantees can be made that a 180 degree rapid reversal will not take place. Further, we cannot say that the East European expansion is based on a bipartisan consensus. There is a need to monitor the fate of Yeltsin during the June presidential elections.

An activity evincing foremost verve on the American scene is the partisan rivalry which exists domestically between the Republicans and Democrats. Such phenomenon is mind-boggling. As I had predicted, Republicans for balancing the budget and Democrats for emphasis of welfare have reached a deadlock on the distribution of the budget. I believe they will ultimately agree to a compromise. The question is, if a fiscal balance is to be achieved without cutting welfare, will the budget ax fall on the Pentagon?

We cannot predict the course that will be taken by the United States. All I can say is that as long as it does not suffer any bloodshed, it will not voluntarily abandon its position of military strength.

Accordingly, Japan will be able to provide itself with insurance that the United States combat units will deploy if assurance can be made that the Japanese military will act as fellow combatants in the event of a war in East Asia. Once, that decision is made, all we can do is march forward while placing our fate on luck. Limiting the Japan Self Defense Forces to a defensive posture translates into the failure of the Japan-U.S. alliance. Japanese political restructuring which was frustrated by Clinton intervention for 18 months is now on the verge of resumption. As bystanders, we can only hope that the process is completed expeditiously.

Japan: MITI 'June Personnel Changes' Draw Attention

962B0098A Tokyo SHUKAN BUNSHUN in Japanese 16 May 96 p 42

[Unattributed article in the "This Week" feature: "Will MITI Revive? MITI 'June Personnel Changes' Attract Attention"]

[FBIS Translated Text] Ever since the dismissal of (then) Industrial Policy Bureau Chief Masahisa Naito in December 1993 there has been unending factional struggle in the Ministry of International Trade and Industry [MITI] between the so-called "gang of four," who are considered to have planned the dismissal, and those opposing the gang of four. It will be 18 months since Administrative Vice Minister Hideaki Kumano, who held that post at the time of the dismissal, was replaced by Vice Minister Tomio Tsutsumi, but the focal point of normalization of personnel matters will be the 'June personnel changes' at the beginning of the Diet session.

"Normally, Vice Minister Tsutsumi would have resigned without serving out his term, and Industrial Policy Bureau Chief Tsutomu Makino would have been promoted, but in March of this year there was interference from a certain MITI 'old boy' who cautioned against making Makino vice minister because there was doubt about his reception. The ministry was shaken, wondering if there was going to be another struggle over personnel changes, but in the end, Vice Minister Tsutsumi resigned without serving out his term along with MITI Deputy Vice Minister Yoshihiro Sakamoto. It has been more or less decided that the next vice minister will be Makino and the MITI deputy vice minister will be International Trade Policy Bureau Chief Tsune Hosokawa of the gang of four," (attributed to a MITI-related source), but there is unexpected criticism of this appointment of Hosokawa to deputy vice minister.

"Actually, the United States is indicating disapproval of Hosokawa as deputy vice minister because Hosokawa is an advocate of a multilateral trade policy which does not emphasize the Japan-U.S. trade policy which has existed up to now. This point is greatly irritating the U.S. Trade Representative and the Department of Commerce," (attributed to a reporter who covers MITI).

Moreover, if these are the personnel changes, aside from (then) Patent Office Director General Akira Takashima, who resigned in June before the end of his term, three of the gang of four will remain: Consumer Goods Industry Bureau Chief Masataka Nakano, International Trade Policy Bureau Deputy Chief Kenji Isayama, and of course, Hosokawa.

"The problem is how to deal with Nakano, who is the real power of the gang of four. The leading views are that he will be made chief of the Defense Agency's Bureau of Equipment, which is a MITI post, or director general of the Patent Office, or director general of the Small and Medium Enterprise Agency," (attributed to an expert on MITI affairs).

Will no one take responsibility after having caused MITI's fortunes to decline this much?

North Korea

DPRK: Asian Groups Urge U.S. To Respond to Peace Overture

SK0308084096 Pyongyang KCNA in English 0813 GMT 3 Aug 96

[FBIS Transcribed Text] Pyongyang, August 3 (KCNA) — The Asian Regional Committee To Support Korea's Reunification, the All India Indo-Korean Friendship Association and the Indian Committee for Support to Korea's Reunification issued a joint statement on July 26 to mark the 43rd anniversary of the Korean people's victory in the fatherland liberation war.

The statement urged the United States to immediately accept the DPRK's proposal for establishing a peace agreement.

The Armistice Agreement which was signed in 1953 has become a nominal one that can play no role in achieving a lasting peace on the Korean peninsula in the present situation and has been used as a tool for U.S. moves of aggression against the DPRK, the statement said.

There must immediately be established a new institutional mechanism to prevent possible armed conflicts and war and achieve a lasting peace in Korea, it added.

"We express full support to the DPRK's fair proposals for reunifying the country through the establishment of a Democratic Confederal Republic of Koryo and demand that the U.S. troops withdraw from South Korea at once, taking along their nuclear weapons," it stressed.

DPRK Daily Denounces ROK 1 Aug 'Combined Landing Exercises'

SK0508033496 Pyongyang KCNA in English 0323 GMT 5 Aug 96

["Premeditated War Gamble of Enemies of Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 5 (KCNA) — The Kim Yong-sam group staged a large-scale combined landing exercise on the west coast on August 1.

A NODONG SINMUN analyst, commenting on this Monday, says that it is the will and desire of all the fellow countrymen to hold the seventh pan-national rally in Seoul on August 15 as a grand rally common to the nation which involves pro-reunification patriotic forces at home and abroad.

He goes on to say:

The manoeuvres, staged in early August, are part of the puppets' premeditated move to throw a wet blanket over the desire of the nation for reunification which is growing stronger with the approach of August 15 and block the holding of the rally in Seoul. In the more frantic war gamble against the northern half of Korea they seek to threaten pro-reunification democratic forces and, furthermore, block the rally which will make contributions to national reconciliation and unity.

The Kim Yong-sam group are vicious enemies of reunification and warmaniacs who are opposed to national reconciliation, unity and reunification. They will certainly meet only a stern judgment by history and ruin.

DPRK Commentary Criticizes Exercise Aimed at 'Invading' North

SK0408140796 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 3 Aug 96

[Commentary by Yun Pyong-son: "Offensive Exercise for Invading the North Disguised as Defense"]

[FBIS Translated Text] On 1 August, the South Korean puppets once again conducted a large joint Army, Navy, and Air Force coastal landing exercise along the west coast aimed at invading the North. Under the so-called pretext of smashing the enemy's surprise attack in advance, the puppets dragged out their vast aggressive forces, including the Navy's notorious Blue Dragon unit, and frantically carried out the joint exercise in the sky, on the ground, and at sea, showing off by claiming they displayed a dignified appearance in their perfect landing warfare. This undisguisedly shows how dangerous a stage the puppets' war maneuvers to invade the North have become.

The Kim Yong-sam puppet clique's war preparations for invading the North are being accelerated in its final climax. As everyone knows, the Kim Yong-sam clique, which turned the whole of South Korea into a war explosive warehouse and an advanced base, deployed puppet army combat units along the front along the Military Demarcation Line [MDL] and placed them in a mobilization readiness so they can engage in war at any time.

On the other hand, the puppets intentionally scrapped the Armistice Agreement; turned the South side of the MDL and the DMZ into a completely armed region and an offensive starting base from which to invade the North; and carried out war exercises everyday aimed at breaking through the MDL.

We can easily learn how desperate the puppets are in their maneuvers to provoke a war by the fact that they are openly making public their adventurous war plan, which is the five-stage Operation Plan 5027; are enhancing their mobilization and striking force in accordance with the demand of modern warfare; and are reorganizing the entire puppet army forces to speedily guarantee the command system.

The war frenzy by the Kim Yong-sam clique is a war of agitation which states that resolving the issues between the North and South is possible only through military strength. It has even reached a point in which it unhesitatingly makes absurd remarks, saying the North should not be regarded as a fellow countryman but as an enemy.

The coastal landing exercise held three-dimensionally in the sky, on the ground, and at sea along the west coast is part of such a war maneuver. This proves without fail the puppets decided to provoke a war to invade the North, and that they are working in full to complete their preparations.

The puppets babble as if this coastal landing exercise is aimed at preventing someone's surprise attack. However, this is nothing but brazen-faced sophistry to conceal the criminal character of this war exercise.

Landing means attack. How can resolutely carrying out a sudden landing toward the other side's coast, and carrying out a war exercise to expand the landing, be regarded as a defensive exercise? The puppets cannot conceal the adventurous offensive character of this war exercise with anything else.

Through this war exercise, the Kim Yong-sam ring is also pursuing the criminal goal of putting a wet blanket over the nation's reunification enthusiasm, which is being enhanced with each passing day. Prior to the holding of the seventh pannational rally on 15 August, preparation work is being actively promoted in the North, South, and overseas, and the people's reunification fervor is growing hot.

To hold a large war exercise at such a time, and to babble about someone's surprise attack and so on, are aimed at further aggravating the tense situation so that the seventh pannational rally will be dissipated.

This is proven by the fact that on the one hand, the Kim Yong-sam ring is aggravating the situation through war commotions, and on the other, is severely suppressing patriotic reunification figures because they contacted us.

The criminal maneuvers by the Kim Yong-sam ring, which is casting a dark shadow over the seventh pannational rally due to the frenzy of playing with fire commotion, cannot by any means be tolerated.

The road to war provocation is the road to destruction. If the South Korean puppets dare to irritate us by conspiring with outside forces, our people and People's Army will rise as one and will sweep away all the aggressors, not leaving even one behind. It will be good for the South Korean puppets to correctly look at reality and act with discretion.

DPRK Daily Denounces ROK 'International Cooperation System'

SK0508094796 Pyongyang KCNA in English 0943 GMT 5 Aug 96

["Treacherous Moves for 'International Cooperation System' Under Fire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 5 (KCNA) — MINJU CHOSON Sunday [4 August] carried an article disclosing the reactionary nature of the Kim Yong-sam group's persistent attempt for the establishment of "international cooperation system" against the northern half of Korea.

Some time ago, the South Korean foreign minister met the U.S. state secretary and the Japanese foreign minister in a Southeast Asian country and asked for "help" in the "establishment of international cooperation system".

Earlier, at the U.S.-Japan-South Korea "high-ranking officials' consultative meeting on policy" held in Cheju Island, the South Korean puppets contended that "inter-Korean dialogue" should precede the improvement of DPRK-U.S. and DPRK-Japan relations and "economic sanctions" against the DPRK should not be relaxed.

The "international cooperation system" the Kim Yong-sam group is attempting to build is a product of the anti-communist, anti-DPRK confrontation moves and a treachery aimed at stifling the fellow countrymen and expanding their reactionary ruling system into the North with the help of outsiders, the paper said, and continued:

The puppets are spreading rumours about "military threat from the North" in an attempt to justify their moves for "international cooperation system".

It is not the North but the Kim Yong-sam group who are increasing the danger of war and threatening peace in Korea.

The Kim Yong-sam group, the most bellicose and traitorous of the successive ruling groups in South Korea, have frozen the North-South dialogue overnight, which had been held even in the period of the preceding military dictatorship, and brought the bilateral relations into the worst phase. And they openly made public the scenario of war against the North and have staged large-scale war exercises one after another, aggravating the situation in the country.

The anti-socialist, anti-DPRK moves for "international cooperation system" are an anachronistic deed going against the trend of history.

The Kim Yong-sam group must act with discretion, clearly seeing the realities.

DPRK: South Korean Caught After Crossing DPRK Northern Border

SK0508015796 Pyongyang KCNA in English 0133 GMT 5 Aug 96

[FBIS Transcribed Text] Pyongyang, August 5 (KCNA) — An unidentified South Korean was apprehended by a relevant agency of the DPRK at dawn on July 31 when he illegally violated its northern frontier.

According to his statement, he is Kim Yong, who is a novelist under the "National Association of Writers in South Korea" and concurrently a lecturer of Pusan Conservatory.

He is under investigation at the agency.

DPRK: ROK Denounced for Trying To Block Pannational Rally

SK0208043796 Pyongyang KCNA in English 0413 GMT 2 Aug 96

["S. Korean Fascist Clique Hit for Trying To Block Pan-national Rally" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — NODONG SINMUN today condemns the traitorous Kim Yong-sam clique for trying to block the forthcoming August 15 pan-national rally at the point of the bayonet.

The paper in a signed article titled "Vicious Enemy of Reunification" says:

Some time ago the Kim Yong-sam fascist clique put on trial tens of patriotic-minded people, including the chairman and vice-chairman of the South headquarters of the National Alliance for the Country's Reunification (Pomminnyon) whom they arrested on the unreasonable charges at the end of last year and had persecuted, and sentenced them to prison terms by invoking the "National Security Law".

This fascist act is a premeditated political strangulation to stamp out Pomminnyon South headquarters and its members active for the promotion of national reconciliation and unity and peace in the country and its peaceful reunification.

The Kim Yong-sam group's sabre-rattling suppression of pro- reunification democratic forces has laid grave obstacles in the way of the seventh Seoul pan-national rally at which people in the North, South and abroad will gather on August 15 to demonstrate the united strength of the nation.

The Kim Yong-sam group does more harm than good to the Korean people who are struggling for the accomplishment of the historic cause of national reunification; it is the first target of overthrow.

The South Korean students and people from all walks of life should excercise utmost vigilance against the criminal schemings of the traitorous Kim Yong-sam clique to block the holding in Seoul of the pan-national rally at the point of the bayonet and should unite more closely in their stubborn struggle to frustrate them in time.

DPRK: Spokesman Warns ROK Authorities Against Blocking PNR

SK0308083696 Pyongyang KCNA in English 0751 GMT 3 Aug 96

["S. Korean Authorities Must Not Block Seoul PNR" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 3 (KCNA) — A spokesman for the North Preparatory Committee for the Seventh Pan-National Rally (PNR) in a statement today denounced the South Korean authorities for trying to block the rally due in Seoul this year, a "year of peace and great national unity", and called upon the compatriots at home and abroad to rise up in the patriotic struggle to make the rally a meeting common to the nation.

The South Korean authorities are cracking down on those involved in the National Alliance for the Country's Reunification (Pomminnyon) and pro-reunification patriots by invoking the evil "National Security Law" (NSL), describing their call for the withdrawal of the U.S. troops from South Korea and the abolition of the "NSL" and the reunification through confederacy as "enemy- benefiting", the spokesman said, and went on: This is a premeditated move designed to block all campaigns for reunification including the PNR in South Korea.

If the rally due in Seoul on August 15 is to be held as a rally common to the nation in which delegates from the North, South and abroad will take part, the unreasonably arrested members of the South headquarters of Pomminnyon and Pomchonghangnyon and pro- reunification patriots in South Korea should be released first of all, delegates to the rally from the North and abroad be allowed to take a trip to Seoul and their safety and free activities be guaranteed.

The South Korean authorities must not block the seventh PNR in Seoul, clearly seeing the ever-growing desire of the fellow countrymen for reunification.

We will fight it out hand in hand with all the pro-reunification patriotic movement organisations to make this year's PNR a meeting common to the nation in which all the reunification movement organisations and patriots from all walks of life at home and abroad will participate.

We ardently appeal to all the reunification movement organisations at home and abroad wanting national unity and reunification to valiantly rise in the patriotic struggle to make the seventh PNR a rally common to the nation.

DPRK: Kim Yong-sam Accused of Bankrupting ROK Economy

SK0308083896 Pyongyang KCNA in English 0810 GMT 3 Aug 96

["'Roseate Commitments' of Kim Yong-sam" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 3 (KCNA) — NODONG SINMUN today comes out with a signed article analysing the present bankruptcy of the South Korean economy.

The article says:

When taking office, the traitor Kim Yong-sam, an ignoramus, pledged that he would become an "economic president".

However, the present economic crisis of South Korea eloquently proves that all his "commitments" are nothing but "roseate ones" full of falsity and his economic policies are thoroughly treacherous ones which have driven the South Korean economy into a catastrophic crisis.

No sooner had he taken the helm of power than he set abroad the socalled "100-day programme for new economy" and then announced a "five-year plan for new economy." But, the economic chaos has been worsened and the people's living standard been further deteriorated. As a result, enterprises have gone into bankruptcy en masse, prices risen, unemployment augmented, wages been frozen, trade deficits increased, foreign debts multiplied and vagrant peasants grown in number.

Kim Yong-sam has deepened the dependence of the South Korean economy and facilitated its ruin.

Foreign capital in South Korea as of the end of 1995 was more than twice the figure at the end of 1992.

With the expansion of big businesses, minor enterprises have gone into bankruptcy. This reveals the falsity of his commitment that he would "prevent the concentration of economic power".

In the past three years, branches of 30 major big businesses have increased in number in South Korea, whereas 15,000 minor enterprises were ruined en masse last year. This fact fully proves that the Kim Yong-sam group's "commitments" to "prevention of concentrated economic power" and "encouragement of minor enterprises" are nothing but a fiction.

Kim Yong-sam has never let chances pass by without vociferating about "international competitiveness of South Korean economy", "internationalisation" and "globalisation". Under this signboard, however, he has flung South Korean markets wide open, thus speeding up the bankruptcy of the South Korean economy.

In order to attain his sinister political purpose to hurt the fellow countrymen in the North, he opened the door of the rice market, the lifeline of the South Korean peasants, to outside forces, throwing away his "promise to defend rice" like a wornout pair of shoes. He is indeed a truculent traitor and despicable flunkeyist.

His flunkeyism and treachery has further converted the South Korean economy into a "prostitution economy."

One of the worst crimes he has committed during his term of office is that he has deceived the people with showy advertisements and devastated the economy and people's living standard with flunkeyism and treachery.

It is only too clear that the traitor Kim Yong-sam has no other way but to face his doom.

DPRK: ROK Opposition Criticizes NKP Assemblyman Draft

SK0308083496 Pyongyang KCNA in English 0801 GMT 3 Aug 96

[FBIS Transcribed Text] Pyongyang, August 3 (KCNA) — Opposition parties of South Korea criticised the "New Korea Party" [NKP] for recently drafting the independent "National Assemblyman," Kim Yong-kap, the Seoul-based radio No. 1 reported.

The spokesman of the United Liberal Democrats commented that the inclusion of a typical rightist of the "Fifth and Sixth Republics" in the "New Korea Party" means its indiscriminate recruit on the threshold of "presidential election." He expressed indignation at this move.

The spokesman of the Democratic Party said the effort of the "New Korea Party" to woo opposition and independent "National Assemblymen" that has begun again should never be allowed as it is a scheme for political monopoly.

DPRK: Kong No-myong's Remarks on Collapse of North Denounced

SK0308092496 Pyongyang KCNA in English 0828 GMT 3 Aug 96

[FBIS Transcribed Text] Pyongyang, August 3 (KCNA) — South Korean puppet Foreign Minister Kong No-myong, at a recent press conference in Singapore, was loudmouthed about "possible collapse of the North's system" and its "soft landing" and raised outcries over the "nuclear issue" again.

His utterances about the "collapse of system" and "soft landing" are part of the South Korean puppets' false propaganda aimed at impairing the high international prestige of the Democratic People's Republic of Korea.

Their smear campaign only reveals their political ignorance.

Admittedly, ours is the most solid socialist system where all the people live in a big harmonious family, sharing their fate with each other.

Our people are striving to further consolidate the socialist system, their life and soul, closely rallied around the Workers' Party of Korea and their leader.

By their unshakable faith and will, the republic has become invincible and solid.

The South Korean puppets, however, are talking about the "collapse of system" and "soft landing", unaware of the situation and upset by the singlehearted unity of our people full of faith and optimism. By doing so, they want to attain their ulterior political purpose. But their intention is as foolish as sweeping the sea with a broom.

Their political ignorance and immorality have been illustrated well by the fact that Kong No-myong raised a hue and cry over the "nuclear issue" again, blaming the North for peace and stability which have not been ensured in the Korean peninsula.

It is ridiculous for the puppets, who could not take part in the DPRK-U.S. negotiations for a solution to the nuclear issue and have no idea of the essence of the issue, to cry for the North's "compliance with the nuclear safeguards agreement" and "peace in the Korean peninsula."

It is due to their ceaseless war gambles that a lasting peace and security have failed to be ensured and the danger of a war has persisted in the peninsula.

Even at the time when Kong was calling for "peace in the peninsula" at the press conference, a military provocation was perpetrated by the puppets against the North.

It would be better for them to keep their mouths closed than to be ridiculed for their mistakes and ignorance.

Our people will never tolerate those who slander our dignified socialist system.

The Kim Yong-sam group must act with discretion, cooling themselves overheated by the anti-North propaganda.

DPRK Paper Terms Japanese Port Call in ROK 'Dangerous Move'

SK0408050696 Pyongyang KCNA in English 0453 GMT 4 Aug 96

[FBIS Transcribed Text] Pyongyang, August 4 (KCNA) — NODONG SINMUN today brands the visit of a fleet of the Japan "Self-Defence Forces" [SDF] to Chinhae port, South Korea, slated for September as a new dangerous move of Japanese militarists for reinvasion of Korea.

This is the first visit of combat forces of the Japan "SDF" to South Korea since the end of the Korean war. This brings into bold relief the dangerous nature of the fleet's portcall.

The news analyst says:

The "SDF" fleet is a shock brigade of the Japanese aggressive forces for military reinvasion. Historically, Japan used naval forces as a shock brigade to invade other countries.

In view of this fact, the "SDF" fleet's visit to South Korea cannot be overlooked.

Although the Japanese reactionaries describe the visit as something for "tourism" and "recreation," they cannot conceal their ulterior intention.

Their intention is to make an example of the fleet's visit to South Korea and then dispatch their militarist aggressor forces in real earnest.

Preparations for reinvasion of Korea are being stepped up in Japan at a dangerous stage under the pretext of "countering" the "attack on Japan" from the DPRK in "case of emergency" on the Korean peninsula.

The fleet's visit can be viewed as something to put into practice the scenario of aggression on Korea.

Their reinvasion of Korea is a suicidal option. Their rash acts will result in their own disgrace and defeat.

DPRK: Reports of N-S Talks in Beijing Termed False

SK0508015696 Pyongyang KCNA in English
0136 GMT 5 Aug 96

[FBIS Transcribed Text] Pyongyang, August 5 (KCNA) — South Korea's MBC (Munhwa Broadcasting Corporation) reported on July 27, quoting the U.S. Magazine Jains Intelligence Review [as received], that secret negotiations between special envoys dispatched by supreme leaders of the North and the South of Korea have been under way at the "state guesthouse" in Beijing by China's agency since May.

"It is quite contrary to the fact and a false report," said a spokesman for the secretariat of the Committee for the Peaceful Reunification of the Fatherland in his answers to the question put by KCNA in this regard Sunday.

"Such negotiations have never been and are not held there," he said, and went on:

This fabricated report is misleading the public and throwing the world public into confusion.

We consider this to be an intentional plot of those who are versed in making false reports rather than to be their irresponsibility in giving information.

It is a miscalculation if they intend to get something from this false report.

Those who made a false report, violating the elementary code of press, must be condemned and ponder over their disgraceful plight wirepulled by a political plot-maker.

DPRK: Jiang Zemin Sends Message to Kim Chong-il on Flood Damage

SK0408141296 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 4 Aug 96

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people, has received a consolatory message from Comrade Jiang Zemin, general secretary of the CPC, president of the PRC, and chairman of the PRC Central Military Commission, in connection with the flood damage in our country.

The message reads as follows:

Pyongyang:

Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army [KPA]:

I have heard the shocking news that some areas of your country were seriously stricken by the recent floods and are suffering a loss of human lives and property. On behalf of the CPC, the PRC Government, and the Chinese people, I extend deep sympathy and hearty consolation to you, and through you, to the Workers Party of Korea [WPK], the DPRK Government, and the people in the flood-hit areas.

I believe the people in the flood-hit areas will soon overcome their difficulties, recover their damages, and resettle their households without fail under the leadership the WPK and the DPRK Government.

[Signed] Jiang Zemin, general secretary of the CPC, president of the PRC, and chairman of the PRC Central Military Commission.

[Date] 2 August 1996, Beijing.

DPRK: Kim Yong-nam Meets With Departing Russian Ambassador

SK0508101396 Pyongyang KCNA in English
0958 GMT 5 Aug 96

["Foreign Minister Meets Russian Ambassador" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 5 (KCNA) — Vice- Premier and Foreign Minister Kim Yong-nam met and had a talk with Russian Ambassador to Korea Yuriy Fadeyev, who paid a farewell call on him today.

DPRK Foreign Ministry Delegation Departs for Cuba 5 Aug

SK0508101196 Pyongyang KCNA in English
0957 GMT 5 Aug 96

[FBIS Transcribed Text] Pyongyang, August 5 (KCNA) — A delegation of the Ministry of Foreign Affairs of the Democratic People's Republic of Korea led by its Vice-Minister Kim Chang-yong left here today to visit Cuba.

DPRK: Kim Chong-il Receives Solidarity Messages From Foreigners

SK0208043496 Pyongyang KCNA in English
0330 GMT 2 Aug 96

[All names of foreign party leaders as received]

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The great leader Comrade Kim Chong-il received a message from Obiang Nguema Mbasogo, founder-chairman of the Democratic Party, president and head of state of Equatorial Guinea, during the month of international solidarity with the Korean people.

He also received solidarity messages from General Secretary of the New Yugoslav Communist Movement

Branko Kitanovic, Secretary General of the Palestine Liberation Democratic Front Nayef Hawatmeh, Chairman of the Socialist Progressive Party of Lebanon Walid Joumblatt and Chairman of the Social Communist Party of Angola Francisco Dissaxi during the month.

The messages expressed solidarity for the just struggle the Korean people are waging for the reunification of the country under the leadership of Comrade Kim Chong-il and manifested the belief that the friendly and cooperative relations between their countries and Korea and between their parties and the Workers' Party of Korea will grow stronger.

DPRK:'Unprecedented' Flood Damage, Relief Efforts Noted

SK0508101796 Pyongyang KCNA in English 0957 GMT 5 Aug 96

["Central Korea Damaged Seriously by Floods" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 5 (KCNA) — The Democratic People's Republic of Korea has been hit by unprecedented floods this year again.

Last year's flooding caused D [dollars] 15 billion worth damage and left 5.2 million people homeless, making a temporary dent in the national economy.

Over the last one year, the Korean people have worked hard to recover from the damage with the whole party, country and people united in one mind.

Many nations and international organizations have offered humanitarian assistance to the DPRK, transcending difference in ideology and system.

As a result, the victims' life has been mainly stabilized and damaged factories, enterprises, coal and ore mines, railways, motorways, etc. rehabilitated and some of factories have resumed production.

This is a result of our people's tireless efforts and international humanitarian assistance.

Our people will always feel grateful to those nations and international organizations for their assistance.

So heavy, the damage has not been healed yet. Worse still, the country has been hit by devastating floods again this year, finding itself in such a serious condition as last year.

An initial survey shows that the heavy rains have caused great losses and left many people homeless.

As already reported, the heavy rains, which poured on the central part of the Korean peninsula late in July, seriously damaged vast areas.

The floods swept the nation's granaries on the western coast and inundated many industrial establishments.

Hit hardest were some areas of North and South Hwanghae, Kangwon, North and South Pyongan Provinces and Kaesong Municipality.

Heavy rains as much as 475-730 mm fell on North and South Hwanghae and South Pyongan Provinces in two or three days, with the result that dwelling houses, public buildings, coal and ore mines and other factories, facilities and paddy and non-paddy fields have been submerged, buried or washed away.

Unexpected downpours of rain caused high pressure and destroyed dykes and irrigation facilities and cut bridges and railways.

Some county townships have been submerged one metre deep and the Hwanghae Iron Complex flooded. The Pyongyang-Kaesong and Pyongyang- Haeju railways and the Pyongyang-Kaesong motorway have been out of service.

Landslides and destroyed reservoirs in North Pyongan Province, Kangwon Province and Kaesong Municipality have cut bridges, pulled down pylons and electric poles and claimed great losses of lives and property.

Other areas have also been seriously damaged.

The competent organs have continued surveying the losses and taken steps to recover from the damage.

Hundreds of thousands of people have voluntarily taken part in the rehabilitation, while party members and other working people throughout the country are striving to heal the damage in the revolutionary spirit of self-reliance and hard struggle, full of confidence and optimism.

Some nations and international organizations have already expressed their willingness to offer humanitarian assistance to the DPRK, consoling the victims.

Our people extend deep thanks to them.

DPRK: Talk on Strengthening 'Master' of Revolution

SK0308132096 Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 1 Aug 96

[Unattributed talk: "Strengthening the Master of the Revolution and Enhancing Its Role Is a Basic Key To Pushing Ahead With Socialist Construction"]

[FBIS Translated Text] Our socialist cause is being unwaveringly defended in the thick of an eventful political situation, and is advancing victoriously.

The running victory of our socialist cause is attributed to the fact that, in the early days, the great leader [widaehan suryong] Comrade Kim Il-song suggested the ideology and theory on the master of revolution, and prepared a strong master of the revolution by incorporating this theory.

The great leader [widaehan suryong] Comrade Kim Il-song taught: A basic key to highly displaying the supremacy of the socialist system and to vigorously accelerating socialist construction lies in strengthening the master of the revolution and in enhancing its role.

Strengthening the master of the revolution means intensifying the unity of the leader [suryong], the party, and the popular masses. In other words, this means more strongly arming the popular masses with the leader's [suryong] revolutionary ideology; firmly uniting them, organizationally and ideologically, around the party and the leader [suryong]; and cementing the unity and cohesion of the party and the popular masses into an invincible fortress.

Strengthening the master of the revolution and enhancing its role is a vital problem in connection with the fate of socialist construction. Along with the master's operation, various social and economic factors and material conditions function together to construct socialism. However, such objective conditions as social and economic factors and material conditions are provided by the master of the revolution, and the renovation and reform of these conditions are executed according to the master's role. In the upshot, strengthening the master of the revolution and enhancing its role is a basic key to pushing ahead with socialist construction.

Above all, strengthening the master of the revolution and enhancing its role enables us to vigorously accelerate social construction by thoroughly implementing the party's strategic and tactical leadership.

Only through the correct strategy and tactics of struggle can the socialist cause victoriously pioneer its future with clear-cut directions and methods. The party's strategic and tactical leadership establishes fundamental lines to guarantee the victory of revolution, as well as an action program to achieve strategic and tactical goals, and organizes and guides their implementation.

Such leadership of the party becomes a fundamental condition enabling socialist construction to victoriously advance without bias, which is guaranteed when the master of the revolution is strengthened and its role enhanced.

The master of the revolution is the united body of the brains of the revolution, of the general staff of the revolution, and of the person in charge of the revolution. When the master of the revolution becomes a united social and political vitality, the power of the party and the popular masses becomes enormously intensified, and the party's strategic and tactical leadership is successfully fulfilled.

When the party and popular masses are in perfect harmony, only then can the opinions and demands of the wide-ranging popular masses converge on the party; can the party establish the most precise lines and policies, as well as the correct strategy and tactics to struggle for social construction; and can the party take them as the demands of life, with the popular masses highly displaying revolutionary zeal and creativity in carrying them out. This shows, in the long run, that strengthening the master of the revolution and enhancing its role becomes a basic key to completely guaranteeing the party's strategic and tactical leadership and to having socialist construction vigorously propelled.

Strengthening the master of the revolution and enhancing its role also enables us to push ahead with socialist construction by holding fast to the principle of socialism, and by highly demonstrating its supremacy.

Socialist construction can advance victoriously by consistently cleaving to revolutionary principles and by highly demonstrating the supremacy of socialism.

Strengthening the master of the revolution and enhancing its role enables us to crush the anti-socialist maneuvers of the imperialists, which infringes on the independent demands and interests of the popular masses to adhere to the revolutionary principles of socialism.

In order to crush the anti-socialist maneuvers of the imperialists and reactionaries, and to firmly hold fast to socialist principles, we should further strengthen the master of the revolution and definitely enhance its role.

Just as no germ can infiltrate a person who undertakes regular physical exercise, neither can any unsound ideology infiltrate or remain within a social and political vitality that is firmly united by a single ideology.

The anti-revolutionary maneuvers of the imperialists are sure to be squashed, and the revolutionary principle of socialism will steadfastly hold firm, when the leader [suryong], the party, and the popular masses solidly unite into a single social and political vitality that leads to shaping a formidable master of the revolution. Then its role will be enhanced.

Strengthening the master of the revolution and enhancing its role enables us to highly demonstrate the supremacy of socialist principles as well as to adhere to them.

The work of vigorously propelling socialist construction cannot proceed apart from the struggle to highly display the supremacy of socialism. Social construction advances forward victoriously through the process of highly displaying its supremacy.

Having incorporated the immortal chuche ideology, the socialist system of our country is the most superior social system of all popular-masses-centered social systems. Under the socialist system of our country, in which the popular masses are the masters of everything in society, and in which everything in society serves the popular masses, everyone enjoys to the fullest a rewarding political life, a sound material life, and a rich cultural life.

In order to highly demonstrate the supremacy of our country's socialist system, we should absolutely upgrade the social, cultural, and political level of the popular masses and strongly build a material and technical basis for society.

The socialist system is a social system that has the working masses and the working class as its master, and is a genuine system managed by the popular masses. Hence, the popular masses can fully display the supremacy of a socialist system when they arm themselves with an advanced ideology and possess a high level of culture and technique.

The supremacy of socialism cannot be duly displayed, no matter how superior a socialist system is, if the masters of a socialist system, the popular masses, lack a high level of ideological consciousness and a capacity to skillfully manage and operate an advanced social system.

Through the struggle to strengthen the master of the revolution and enhance its role, the popular masses' levels of political ideology and technical culture becomes high, which is conducive to a successful settlement of various problems, including strongly preparing a material and technical basis for socialism, and which is conducive to fully displaying the supremacy of socialism. This shows that strengthening the master of the revolution and enhancing its role is a crucial element for us to vigorously push ahead with socialist construction by displaying the supremacy of the socialist system.

Likewise, strengthening the master of the revolution and enhancing its role is the key to successfully carrying out the party's strategical and tactical leadership; to firmly adhering to the socialist principle; to highly displaying its supremacy; and to vigorously propelling socialist construction.

Our revolution's empirical experiences, which have followed the single road of victory and glory under the wise leadership of the party and the leader [suryong], clearly bears out that we can vigorously push ahead with socialist construction when the master of the revolution is strengthened and its role enhanced.

In the future as in the past, all party members and workers will complete the socialist cause to the end, advancing forward by firmly uniting around the party and the leader [suryong].

DPRK: 'Crime' of Betrayers of Socialism Manifested

SK0508040596 Pyongyang NODONG SINMUN in Korean 13 Jul 96 p 6

[Article by Choe Hak-chol: "Antirevolutionary Crimes of the Mean Betrayers"]

[FBIS Translated Text] How to treat revolutionary seniors is a matter of attitude toward the revolution and a matter of the moral obligation of the revolutionaries.

Respecting revolutionary seniors and glorifying their achievements is the revolutionary conscience and lofty moral obligation of communists.

Those who do not have a revolutionary conscience or a lofty moral obligation cannot be said genuine revolutionaries.

The great leader Comrade Kim Chong-il [widaehan yongdoja kimjongil tongji] pointed out:

Opportunists and betrayers of socialism slandered the leader [suryong] of the working class and insulted the sacred revolutionary struggles and great revolutionary achievements of the revolutionary seniors. They destroyed socialism and revived capitalism. This is the meanest antirevolutionary crime yielding to the pressure of the imperialists and betraying the revolution. This is the most immoral treason that trampled on basic human morality.

Opportunists and betrayers of socialism did not hesitate to commit mean antirevolutionary acts yielding to the imperialists and betraying the revolution. They trampled on basic human morality.

Above all, they slandered the leader [suryong] of the working class and insulted the struggle and achievements of revolutionary seniors.

As soon as they fulfilled their ambitions for power with a murky plot, the betrayers of socialism began slandering the leader [suryong] of the working class and revolutionary seniors, and viciously maneuvered to obliterate their achievements. Modern revisionists and betrayers of socialism are all treacherous subordinates and plotters.

When the leader [suryong] was alive, the betrayers of socialism sang "loyalty" and upheld the leader as "teacher," "father," and "outstanding leader," but they were hypocrites. Not satisfied with denouncing and slandering the leader [suryong], they even insulted the leader's mortal remains.

Under the pretext of "reevaluating history," the betrayers of socialism went frantic trying to obliterate the achievements of the leader and revolutionary seniors.

The game of "reevaluating history" insulted the honor of the revolutionary seniors who were devoted to the socialist revolution and blemished their achievements. Enterprises, schools, cities, and streets that were named after them have been renamed. Textbooks are being rewritten.

On the other hand, those who were dismissed from the party after being branded enemies of the people and betrayers of the revolution are being "reevaluated" as well. Their "honor" has been "reinstated," and they have been renamed "true patriots." Reactionary writers and scholars, as well as reactionary movies, novels, and theses are also being "reevaluated."

The objective of the "history reevaluation" game played by the betrayers of the revolution is to insult revolutionary seniors and erase their achievements so as to conceal their [the betrayers'] antisocialist nature and deceive the people, and make people unable to see what is right or wrong.

The wind of "openness" blown by the betrayers of socialism has the same objective.

The betrayers of socialism advocate "openness," "inevitability," and "superiority." Their unfounded sophism is that "the more people are informed of concrete facts, the more they will work spontaneously and enthusiastically."

Through the "openness," they exaggerated and disclosed a number of defects that have nothing to do with the socialist system, and openly denounced and attacked the communist and socialist system. In so doing, they intended to morally bury individual functionaries. This is an antisocialist maneuver to break the people's trust in socialism by slandering the ideology and achievements of revolutionary seniors.

The target of the "openness" is the communist parties, socialist countries, and guiding cadres. Mass media that have lost the revolutionary principles were the first to plot to harm and bury communist party members and guiding cadres who had accumulated achievements through long revolutionary struggles.

In the antisocialist and antirevolutionary swirl, those whose "honors were reinstated," and their children as well, openly exhibited hostility against socialism and frantically tried to obliterate everything socialist and revolutionary. The graves and monuments of martyrs whose lives were scarred in the struggle to protect the country and people and defend the revolution have been destroyed and their museums closed.

The betrayers of the revolution slandered and plotted to harm revolutionary seniors in such a vicious way.

The moral obligations for revolutionary seniors is expressed not only by respecting them but also by continuing their cause. The revolutionary seniors who pioneered and developed the revolution demand the next generation to continue the revolution generation after generation.

The betrayers of the revolution frequently talked about "loyalty" and acted as if they would continue the cause of the revolutionary seniors, but that was camouflage.

After they crept into the seat of power, they advocated "reform" and "restructuring," rejected everything to do with socialism, and introduced capitalist politics and economics. They transplanted the bourgeois multiparty system and turned the communist party into an ordinary party. They introduced Western election methods and opened a path for reactionaries to openly commit their antisocialist maneuvers. They introduced the market economy and destroyed the country's unified economic management system. Raving about "a new way of thinking," they curried favor with the imperialists and submitted themselves to them.

In a number of countries, the antisocialist maneuvers of the betrayers of socialism brought about the tragedy in which the socialist system won and built with the blood of revolutionary seniors has been destroyed and capitalism has been revived.

As the days go by, the crimes committed by the opportunists and betrayers of socialism become more obvious. The revolutionary people will never forgive their crime.

Even though the betrayers of socialism make it their business to commit antirevolutionary and mean acts, they cannot obliterate the revolutionary people's lofty moral obligation to the leader of the working class and revolutionary seniors.

Bearing a lofty moral obligation, the world's revolutionary people will defend the ideology and achievements of the leader of the working class and of revolutionary seniors, and will achieve the ultimate victory of the socialist cause.

South Korea

ROK: Civic, Social Groups Form Committee on Return of U.S. Base

SK0408043896 Seoul THE KOREA TIMES in English 4 Aug 96 p 3

[FBIS Transcribed Text] Fifteen civic and social groups, including the National Movement for the Eradication of Crimes Committed by U.S. Servicemen and an Alliance for Democracy and Reunification, established a preparatory committee for the return of the Yongsan U.S. Army base yesterday.

They held a ceremony to mark the occasion at the "Minju Nochong," or the Korea Council of Trade Unions, conference room in Seoul.

In a statement, the committee said that the Yongsan U.S. Army base, occupying more than 3.3 million square meters of land in the heart of Seoul, is causing a great deal of inconvenience to the citizens as a source of traffic congestion, and contributing to the city's stunted development.

The committee also lambasted the U.S. Military for continuing to make unreasonable demands in addition to asking the Korean Government to foot the bill for its relocation expenses.

According to the committee, the U.S. side reportedly requested $10 billion in moving cost and has kept delaying the relocation deadline.

ROK: KEPCO Considers Subletting LWR Systems Design to U.S. Firm

SK0408103196 Seoul MUNHWA ILBO in Korean 2 Aug 96 p 1

[Report by reporter Yi Pyong-son]

[FBIS Summary] Some 360 systems designers from the Korea Atomic Energy Research Institute [KAERI], who are the only ones within the ROK who possess technological skill to design reactor systems, are dragging out their strike to protest the government's decision to transfer them to the Korea Electric Power Technologies Corporation [KEPTC], which is affiliated with the Korea Electric Power Corporation [KEPCO]. As a result, "the project to supply light-water reactors [LWR] to North Korea is going amiss."

It has been learned that KEPCO, a major contractor for the LWR project, is considering various ways to prevent impediments to that project. In particular, KEPCO is reportedly making efforts to absorb KAERI engineers engaged in the LWR project. It was confirmed on 2 August that KEPCO is considering subletting the designing of the reactor for the LWR project in North Korea to the Combustion Engineering Company (ABB-CE) of the United States. Accordingly: "We cannot rule out the worst case scenario that the reactors to be constructed in North Korea will become 'ROK-style' in name only, and 'U.S.-style' in substance."

An internal KEPCO report entitled "Actual Status of the Situation Surrounding KAERI's Strike and the Countermeasures To Cope With It," which was drafted around 15 July, "strongly hints that the practical consideration to sublet the system design to the U.S. firm will be inevitable because the dispute between KEPCO and KAERI is not likely to be resolved soon."

"These moves by KEPCO appear to be connected with the fact that KEPCO signed a memorandum of understanding with ABB-CE in March to guarantee the U.S. firm a job at the same level of its construction of the Ulchin Reactor Nos. 3 and 4 in case KEPCO exports reactors to North Korea or any other third country."

As regards this, KEPCO President Yi Chong-hun said on 2 August: "It is not true KEPCO will sublet the systems designing to ABB-CE. The idea of subcontracting has never been adopted or reported."

On 1 August, Yi Chung-chae, chief of KEPCO's Office for Supporting Overseas Reactor Constructions, said: "Seeing as the ROK is to bear most of the LWR project costs, we cannot give up supplying 'ROK-style' reactors or playing 'a key role'." He added: "If KAERI's strike lasts long enough to create a snag in designing the reactor system, we will use systems designers at the Korea Heavy Industries and KEPTC to the utmost." He concluded: "In that case, then it can be decided whether to bring ABB-CE engineers into the project or to enhance the U.S. firm's participation." However, "he made it clear this means KEPCO would receive help from ABB-CE, and does not mean it will subcontract with or give an order to that firm."

ROK: Subcontracting LWR Systems Design With U.S. Firm Viewed

SK0408011396 Seoul CHOSON ILBO in Korean 3 Aug 96 p 2

[By reporter Mo Tae-chun]

[FBIS Translated Text] The "ROK-type" light-water reactor [LWR] project to be built in North Korea is running into difficulties because the transfer of the reactor systems designing work between the Korea Electric Power Corporation [KEPCO] and the Korea Atomic Energy Research Institute [KAERI] is being delayed.

Because the discussion of transferring the reactor designing work with KAERI is being delayed, KEPCO has internally reviewed the problem of subcontracting part of the work to U.S. Combustion Engineering Company [CE], it was learned on 2 August. If U.S. Combustion Engineering participates in designing the reactor systems, a key technology in building a nuclear reactor, it is feared that the significance of providing an "ROK-type" reactor for the atomic power plant project for North Korea will be seriously impaired.

In an internal report titled "The Status of and Measures for the Situation at KAERI" prepared on 15 July, KEPCO proposed that if the KAERI strike continues for more than four months, the Korea Electric Power Technologies Corporation will negotiate and sign the contract by itself and consider designating CE as a subcontractor. This report was prepared by the External Atomic Power Plant Construction Support Department, which is charged at a working level with the KEPCO's LWR project for North Korea. The report was signed by Yi Chung-chae, director of the department, and signed finally by Managing Director Sim Chang-saeng, director of the External Electric Power Project Corps. KEPCO, commenting on this, said: The report is a working-level review, and not a decision at the corporate level. There is no change as far as construction of the ROK-type light-water reactors for North Korea and the ROK's central role are concerned.

ROK: Disputes Must Not Hamper 'ROK-Style' Reactor Construction

SK0308144296 Seoul CHUNGANG ILBO in Korean 3 Aug 96 p 6

[Editorial: "There Should Be No Setbacks in the 'ROK-Style' Light-Water Reactor"]

[FBIS Translated Text] As the dispute between the Korea Electric Power Corporation [KEPCO] and the Korea Atomic Energy Research Institute lengthens, some fear this might become a setback to the light-water reactor construction project in North Korea. This is because related work is not proceeding as planned since human resources at the Korea Atomic Energy Research Institute who are designing the systems for an "ROK-style light-water reactor" are opposed to the government's decision to move them to the Korea Electric Power Technologies Corporation, which is affiliated with KEPCO.

Thus, when the light-water reactor construction work switches into full gear, the work schedule might be delayed because of incomplete designs resulting from the above reason. As such, the worst scenario has been considered, which presents the contract for designing the reactor to an American company.

Regardless of who is at fault, to the general public the dispute between KEPCO and the Korea Atomic Energy Research Institute looks like a fight for the rice bowl. This is because the conflict is over who will design nuclear reactors for power generation. This kind of conflict normally would not have drawn great attention because of the concept "time will solve the problem."

However, such friction must not drag on merely over a dispute over who will own the rice bowl. Assisting North Korea with its light-water reactor should be dealt with from the macroscopic level of South-North relations, international relations, and the state economy.

It was decided the ROK will play a central role in the light- water reactor project, at a cost estimated to be approximately $5-6 billion. However, when viewed from a financial aspect, it is a burden for us. Nevertheless, there are two important reasons why we should be burdened.

First, by being burdened we can improve the reunification environment in the long run, such as effectively opening up North Korea through economic and human exchanges between the South and North. Second, we will be able to build ROK-style light-water reactors based on our own technology.

In particular, even though it was agreed the light-water reactor will be ROK-style in principle, and even though pledges were made internationally regarding this matter, efforts by foreign nuclear power firms to receive orders to build the light-water reactor are fierce. At a time when we thought we finally turned away the persistent outstretched hands of such foreign companies, this matter now becomes a domestic issue. If a part of the light-water reactor's design is entrusted to a foreign company because, we will ultimately fall victim to having to pay the expenses. Thus, KEPCO and the Korea Atomic Energy Research Institute must not be negligent in carrying out the national-level duties they are entrusted with so that nothing will go wrong in the construction of the light-water reactor.

ROK: Dispute Over Designing ROK-Style Reactors Analyzed

SK0308143896 Seoul MUNHWA ILBO in Korean 3 Aug 96 p 2

[Report by reporter Yi Pyong-son]

[FBIS Translated Text] With regard to the 2 August MUNHWA ILBO report stating that "the Korea Electric Power Corporation [KEPCO] is considering subletting the designing of the reactor for the light- water reactor [LWR] project in North Korea to the Combustion Engineering Company (ABB-CE) of the United States," KEPCO said: "We once considered such a temporary method, but the reason for considering it has now disappeared."

Despite KEPCO's explanation, the matter is not likely to be resolved so easily.

KEPCO explained "the reason has disappeared" as being the Korea Atomic Energy Research Institute [KAERI] and the Korea Electric Power Technologies Corporation [KEPTC], which is affiliated with KEPCO, organized a joint work team to transfer the LWR project, and that team is currently holding negotiations. KEPCO said it considered subletting the project to ABB-CE in case the strike by KAERI's labor union lasted more than four months, but that it is not likely to last long because negotiations with KAERI are proceeding smoothly.

Hong Ki-tu, chief of the Atomic Power Section of the Ministry of Trade, Industry, and Energy [MOTIE], stated on 2 August: "It seems as if all those engaged in the LWR project, and who are subject to be transferred to KEPTC, strongly oppose the transfer, but that is not true. Some people are very cooperative in transferring the project."

However, KAERI's assumption is quite different from the view of KEPCO and MOTIE that the situation will soon be stabilized.

An official of the Council for Measures To Accommodate Atomic Energy Industry Systems (headed by Yang Sin-yong) said on 3 August: "Since the beginning, KAERI management has persuaded fellows from the institute, who are engaged in the project, to follow the government's decision. However, there has been no change in the researchers' position that they will not go along." The official added: "Mentioning the ongoing negotiations with management-level officials, KEPCO said the situation would be saved by an early settlement. However, this is an incorrect understanding."

The Council for Measures To Accommodate Atomic Energy Industry Systems stressed: "How can we accept the decision to suddenly shift our position from that of researchers to that of clerks?" This implies concern over their uncertain positions. Thus, it is not likely negotiations will be concluded smoothly.

In addition, even if the KAERI engineers accept KEPCO's demand, there will still be many problems. In a recent report, KEPCO acknowledged that the LWR project and the negotiations surrounding it are going considerably amiss due to the strike at KAERI.

The KEPCO report noted the following problems have already emerged: the unsatisfactory development of tenets in negotiations to sign a protocol between the Korean Peninsula Energy Development [KEDO] Organization and North Korea; deterrence in preparing for a tentative contract between KEDO and KEPCO; delays in designing a reactor system and reactor core; and the unsatisfactory development of countermeasures to Japan's insistence on participating in the project.

The KEPCO report shows it is not easy to supply ROK-style LWRs to North Korea, nor is it easy for the ROK to play a key role in that project. It also shows that all domestic manpower and technologies within the atomic energy industry should be harmoniously mobilized.

In particular, not only the government, but business circles also, are required to cooperate and to make great efforts to display for the first time in the international arena an ROK-style nuclear plant, which we developed with huge funds and great human resources over the past decade.

ROK: U.S.'s Kartman Arrives for Talks on 4-Way Meeting Proposal

SK0308102996 Seoul YONHAP in English 0809 GMT 3 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 3 (YONHAP) — U.S. Deputy Assistant Secretary of State for East Asian and Pacific Affairs Charles Kartman flew into Seoul from Tokyo Saturday afternoon for talks with South Korean officials on the proposed four-way meeting and other pending issues between the two countries.

At an airport interview with YONHAP, the former deputy chief of mission at the U.S. Embassy in Seoul said he would discuss with Seoul officials the proposed four-nation meeting for establishing a permanent peace regime on the Korean peninsula and other issues related to North Korea.

Washington and Seoul have had sufficient discussions on these issues, he added.

Asked about Pyongyang's demand for additional food aid and easing U.S. economic sanctions as a condition for attending the proposed four-way meeting, the U.S. official simply said his government would deal with it in the way as agreed on with Seoul.

Kartman will meet with Yu Chong-ha, senior presidential secretary for foreign and security affairs, Monday about the matter.

A Foreign Ministry official said Deputy Assistant Secretary of State Kartman had come here from Tokyo to brief the South Korean Government on his two-day security meeting with Japanese officials.

He will discuss with Seoul officials about the meeting Seoul and Washington have jointly proposed to

Pyongyang and Beijing for a permanent peace regime on the Korean peninsula and a joint South Korea-U.S. briefing session on the proposal for Pyongyang officials, he added.

ROK, U.S. Agree on Sanctions Until DPRK Accepts Talks

SK0508083996 Seoul YONHAP in English 0826 GMT 5 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 5 (YONHAP) — South Korea and the United States agreed Monday that they will not provide North Korea with additional rice aid or lift economic sanctions on the North unless Pyongyang accepts the four party peace talks proposed jointly by Seoul and Washington, a Foreign Ministry official said.

"We've discussed no new suggestions to be presented to North Korea to induce it into accepting the four party meeting," said American Affairs Bureau Director General Yu Myong-hwan.

Yu was briefing reporters on the outcome of the talks between Deputy Foreign Minister for Political Affairs Chong Tae-ik and Deputy Assistant Secretary of State for East Asia and the Pacific Affairs Charles Kartman.

Yu also said that Chong and Kartman reviewed responses from the North, actions taken by the Seoul Government, moves by the U.S. Government and Congress after Seoul and Washington jointly proposed the four party peace talks last April.

"We've agreed that it's not the best time for us to think about any change in our policy toward the North in connection with the four party talks," the director general said. "We just agreed that we will continue trying to make persuade the North to come forward for the four party talks."

North Korea has long demanded that the United States lift economic sanctions imposed on the North and provide further food aid to the North, insisting that such measures could help soft-liners persuade hawkish members within the North Korean regime to accept the four party meeting, the director general said.

"We, however, have no intention of offering such benefits to North Korea just to persuade them to accept the joint briefing session for the four party meeting," he said.

Yu said that the South Korean Government has offered a "playground" in response to the North's demand for a replacement of the current armistice treaty. "It's a favorable gesture by itself and we will not offer any more until the North accepts the gesture."

Yu urged the North to understand the measures taken so far by the South Korean Government to foster an atmosphere in which the North could accept the four party talks.

He pointed out the South's provision of three million dollars in humanitarian aid to North Korea in response to the second round of appeals for aid from the North made by the United Nations Department of Humanitarian Affairs (UNDHA) and several other examples of Seoul's provision of rice aid, and permitting South Korean firms to invest in the North.

With regard to the possibility of any further food aid to North Korea by the United States, Yu quoted Kartman as saying that the U.S. Government has no money budgeted for aid to North Korea, although the U.S. does not oppose the idea of providing small-scale humanitarian aid to North Korea through international organizations.

Yu also said that, during the Chong-Kartman talks, Chong demanded that the U.S. Government make a political decision on the revision of the Status of Forces Agreement (SOFA) to avoid the possibility that delaying the SOFA revision might hamper friendly relations between Seoul and Washington.

Seoul and Washington have held five rounds of SOFA revision talks but have failed to reach an agreement on some sensitive issues.

Kartman meanwhile explained that the U.S. State Department itself is having difficulty coordinating the positions of U.S. military and legal experts on the issue, adding that the United States Forces in Korea (USFK) and the legal experts in the U.S. Government strongly oppose the idea of Washington making concessions on jurisdiction over American servicemen accused in South Korea.

The U.S. official, however, said that his government was fully aware of the seriousness of the issue, adding that he hoped the two sides will soon meet in the near future on the issue.

ROK: DPRK Proposes N-S Contact To Return Ships, Bodies

SK0308102696 Seoul KBS-1 Radio Network in Korean 0800 GMT 3 Aug 96

[FBIS Translated Text] On the morning of 3 August, North Korea offered a proposal to the ROK to discuss ways to return the North Korean ships and bodies that had become adrift on the West Sea [Yellow Sea] because of the floods and were detained by our side in late July.

The Ministry of National Unification [MNU] said: North Korea proposed today, through the hot line at the South-North Red Cross Liaison Office, that liaison officers of South and North Korea should hold a meeting at the conference room of the Neutral Nations Supervisory Commission at Panmunjom on 6 August to discuss ways to return the bodies of two North Korean sailors.

The North Korean message is a reply to a telephone message sent to the North on 1 August by President of the Korean National Red Cross Kang Yong-hun. The MNU said North Korea had stated it is not necessary to return the three ships detained after being set adrift.

ROK: DPRK Red Cross Accepts South's Offer To Meet

SK0408020096 Seoul YONHAP in English 0144 GMT 4 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 4 (YONHAP) — South and North Korean Red Cross officials are expected to meet at Panmunjom Tuesday to discuss the issue of returning the remains of two North Korean seamen found in a drifting boat in the West Sea [Yellow Sea].

Responding to an offer by the Korean National Red Cross to return the remains, the North Korean Red Cross sent a telephone message Saturday suggesting that the two sides' delegates meet at the conference room of the Neutral Nations Supervisory Commission at the truce village at 10 AM Tuesday to discuss the issue.

North Korea, however, declined to take over the boat, saying that "a relevant organization does not feel the need to have it back."

Kang Yong-hun, Korean National Red Cross president, offered in a telephone message last Thursday to have a Red Cross contact over the issue of sending the remains and ship back to the North.

ROK: Defector on Kim Chong-il Succession, Alleged Coup Attempt

SK0408051996 Seoul CHUNGANG ILBO in Korean 4 Aug 96 p 5

[Report by Yu Sang-chol in Hong Kong]

[FBIS Translated Text] As a mycologist at the Academy of Medical Sciences of the North Korean Academy of Sciences, the North Korean defector Yun Kyong-sok has first-hand knowledge about the cholera epidemic in North Korea. His father-in-law is brigade commander of the 150th Air Force Unit, and his brother-in-law is a pilot. Thus, Yun is also conversant with the North Korean military situation. Yun obtained a driver's license when he served in the military. At the Academy of Medical Sciences, he drove the car of Kim Nak-che, 76, head of the academy and "double hero." He has information shared by high-ranking North Korean figures. The following is the testimony Yun stated to the Hong Kong intelligence authority.

Economic and Food Crisis

"Let us omit breakfast, skip lunch, and go straight to bed without dinner." This is a popular self-contemptuous slogan recently heard in North Korea.

Those who starved to death were mostly old people and children. It takes seven to 10 days for an old man to die of hunger.

No food is served at funerals, so few people attend them.

Children are abandoned in railway stations or dark alleys, with tags around their necks to verify their names and dates of birth.

The job system has collapsed in North Korea. Wages and rations are gradually disappearing. Most colleges and hospitals are closed.

North Korean authorities burn the South Korean goods sent by balloons. They say that the food and clothes are poisoned, and will make people die slowly.

One of my relatives said that he has worn South Korean socks for two years and is still fine.

Many well-paid high-ranking cadres are being dismissed. Society is turning into a lawless state. However, joint ventures are operating. Active party members still go to work.

Regarding Kim Chong-il

Kim Chong-il is scheduled to assume the post of the general secretary of the Workers Party of Korea on 10 October, the founding anniversary of the party. Kim Chong-il wishes to assume the posts of president and general secretary through a vote. The election is expected around October.

Some time ago, North Koreans sent a petition to Kim Chong-il, asking him to start a war and liberate South Korea as soon as possible. Kim Chong-il walked the corridor back and forth. He looked very worried.

Kim Chong-il often said that the reconstruction of the North Korean economy will take years, and those years will be very dangerous.

Military Moves

There was a coup attempt in March led by the security director [powi pujang] of the Security Department in the Bodyguard General Bureau [howichongguk nae powibu]. The department is in charge of surveillance of general bureau employees. However, one of the generals leaked the plan, and the coup failed. The Security Department was dismissed.

At the March Political Bureau meeting, Marshal Choe Kwang, minister of the People's Armed Forces, was criticized for not taking a fair attitude in negotiations with the United States. It is rumored that Chang Song-taek, Kim Chong-il's brother-in-law, is the real power.

In order to continue giving rations to soldiers, North Korea is retrieving rations given to the families of military officers, in the name of giving in kind.

Medical Situation

The Korea Academy of Medical Sciences is the supreme medical institution in North Korea. It is located in Kwangmyong 1-tong, Unjong District, Pyongyang. The academy sells the traditional medicines uhwangchongsimwon and tonghaechongsimwon to pay its own expenses.

However, with the lack of musk [an ingredient of the two traditional medicines], the academy uses samhyang as substitute. Spurious medicine has killed many people in North Korea. Fake penicillin is widespread.

ROK: DPRK Party 'Ordered' People Not To Wear Kim Chong-il Badge

SK0508002396 (Internet) The Joong-Ang Ilbo WWW in English 5 Aug 96

[FBIS Transcribed Text] It was reported that North Korea's Nodong Party [Workers' Party of Korea, WPK] ordered its citizens not to wear badges with a portrait of Kim Chong-il on them. This is worth noting as Kim's official succession to power has been repeatedly delayed.

The Nodong Party recently told its party members, "wearing a Kim Chong-il badge in conjunction with a Kim Il-song badge is harmful to the Dear Leader (Kim Chong-il)'s piety for the Great Leader (Kim Il-song)," a South Korean source said Sunday. Even though the orders were reportedly issued out of consideration for Kim Chong-il's extraordinary piety for his deceased father Kim Il-song, they are actually a ban against wearing Kim Chong-il badges, related organizations analyzed.

ROK: World Food Program Official Describes DPRK Flood Damage

SK0508024296 Seoul YONHAP in English 0228 GMT 5 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 5 (YONHAP) — More than 200 North Koreans were killed and grain damage reached about one million tons in the torrential rains that hit the North late last month, the ASAHI SHIMBUN reported Monday quoting the top World Food Program (WFP) official in Pyongyang.

In a telephone interview with the Japanese daily, the WFP official appealed for the international community's attention to what he termed an aggravated food crisis in the closed communist country.

The official toured North and South Hwanghae Provinces beginning immediately after the downpour July 31 until Aug. 3.

The exact death toll from the flood is being determined by the North Korean Government, but "it is certain that it exceeds 200," the WFP official was quoted as saying.

He estimated grain damage from the latest floods at approximately one million tons or 20 percent of the north's annual average farm produce.

Since the coming autumn harvest will sharply decline due to the grain damage in addition to the devastation wrought by last year's worst floods, the official finds it necessary for the international community to consider extending to Pyongyang additional relief including grain aid, taking into account crops for next year, according to the Japanese daily.

The torrential rain pounded the North July 26-29 with 500-800mm of rainfall.

ROK: Novelist Missing in Yanji, China After Meeting N. Koreans

SK0208102296 Seoul YONHAP in English 0933 GMT 2 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — A Pusan-based novelist Kim Yong has been missing since Tuesday in Yanji City, northeast China, where he visited as a member of a group of 60 tourists, a Foreign Ministry spokesman said Friday.

South Korea's Embassy in Beijing filed an application with the law-enforcement authorities of Yanji City to start investigation into the alleged missing case, Director General Kim Ha-chung of the Asia and the Pacific Affairs Bureau. [sentence as received]

The 39-year-old novelist visited a North Korean restaurant named Kumgangwon in Yanji City Tuesday night along with his younger brother and one of his friends.

The novelist, who was already drunk when he entered Kumgangwon, joked with a North Korean waitress wearing a badge of late leader Kim Il-song, saying that he understood that some of his books were published in North Korea and that he will have to collect a royalty on the books.

Kim then got out of the restaurant with the waitress and came back in about 20 minutes to borrow 200 Chinese yuan from his brother.

Novelist Kim has not been seen since then, although the North Korean waitress returned in a few minutes.

One of the waitresses at the restaurant was quoted as saying that the novelist told her that he will go to a village near the border with North Korea's Hoeryong City.

Kim Young wrote "Complete Encounter" and "Living Tombs" which described the lives of long-term prisoners who refuse to convert, and once served prison terms for violations of the National Security Law before he was released on bail during the 1980s.

ROK Plans To Officially Seek Release of Novelist From DPRK

SK0508084696 Seoul YONHAP in English 0749 GMT 5 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 5 (YONHAP) — The government plans to make an official request to North Korea for the release of novelist Kim Yong, who was arrested by North Korean authorities for allegedly crossing the Chinese-North Korean border illegally, the National Unification Ministry [MNU] said Monday.

"To resolve the matter involving Mr. Kim, consultations with relevant ministries have begun and an official government position will be announced sooner or later," Ministry Spokesman Kim Kyong-ung said.

Seoul is taking note of Pyongyang's report of Kim as an illegal intruder rather than a "voluntary entrant" or defector. The government believes that the North may return the novelist by handling the case objectively in light of its relations with China and international opinion.

Under such conditions, the government is expected to ask for Kim's release on humanitarian grounds.

ROK: KNRC President 'Demanded' DPRK Release Novelist

SK0508085596 Seoul YONHAP in English 0828 GMT 5 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 5 (YONHAP) — The Korean National Red Cross (KNRC) demanded Monday North Korea to return novelist Kim Yong who was reported missing during a trip to Yanbian in China last Tuesday [30 July].

In a telephone message to his North Korean counterpart, KNRC President Kang Yong-hun said that Kim, 38, was turned up missing while making a group tour of the Chinese region bordering North Korea together with his father and brother.

Kang said on the hot line installed at the KNRC Liaison Office in Panmunjom that Kim is believed to have crossed the Chinese-North Korean border accidentally in a state of intoxication.

ROK: Japan Informed of Opposition to Expanded UNSC Veto Powers

SK0208101596 Seoul YONHAP in English 0926 GMT 2 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 2 (YONHAP) — South Korea opposed expanding veto powers in the United Nations Security Council (UNSC) and urged improved transparency and democracy in the operation of the UNSC.

Such positions were delivered to Japan Wednesday when officials from South Korea and Japan met in Tokyo to discuss ways for more efficient operation of the United Nations, a Foreign Ministry spokesman said Friday.

At the meeting represented by Director General Yi Yang of the United Nations Systems Bureau and Yi's Japanese counterpart Yutaka Kawashima, Yi also expressed the hope that the number of UNSC member countries will increase to 25 from the current 15.

Japan, meanwhile, proposed that there should be 20 or 21 UNSC members while indicating that it understood South Korea's position on the veto rights, according to the official.

Japan pointed out, however, that in reality the right to veto within the UNSC is efficient.

With regard to the possibility of Japan's Sadako Ogata, the United Nations high commissioner for refugees, running for the United Nations secretary general to replace Butrus Butrus-Ghali, the Japanese side said that it will not nominate Ogata in consideration of the fact that the UN chief post has traditionally been occupied by small and medium powers.

Japan is also seeking to become a new standing member of the UNSC. The United Nations is itself in the process of reforms which will include restructuring the UNSC.

ROK: Final Trial Session for Chon, No Reported

SK0508071396 Seoul YONHAP in English
0656 GMT 5 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 5 (YONHAP) — The death penalty and a 222.31 billion won fine were demanded for former President Chon Tu-hwan on charges of mutiny, treason and bribery Monday.

In the final Seoul District Court trial session for Chon, former President No Tae-u and their followers for their roles in the Dec. 12, 1979, and May 18, 1980, incidents, Senior Public Prosecutor Kim Sang-hui also demanded that No be sentenced to life in prison and fined 283.89 billion won.

Life in prison was also asked for defendants Hwang Yong-si and Chong Ho-yong and a 15-year prison term for Yu Hak-song, Cha Kyu- hon, Choe Se-chang, Ho Hwa-pyong, Ho Sam-su, Yi Hak-pong, Yi Hui- song and Chu Yong-pok.

It was demanded that defendant Chang Se-tong receive 12 years in prison, while 10 year prison terms were requested for Pak Chun- pyong, Pak Chong-kyu and Sin Yun-hui.

Addressing the court, the prosecution said, "It is the call of the times for our generation to liquidate the mistaken legacy of the past lest those criminal acts should be repeated which disrupt the constitutional order and suppress the people's freedom or which generally corrupt the national economy through bribery."

The prosecution requested that the bench hand down severe punishment to the defendants as provided by law "so that this public trial will be sublimated to a historical milestone demonstrating that law and justice prevail in the land at a time when the nation should unravel distorted knots of the past and achieve a leap forward toward the 21st century."

Nothing can extenuate the guilt of former President Chon Tu-hwan, the prosecution said, arguing, "Despite his perpetration of such monstrous crimes as the usurpation of power through a series of acts disrupting the national constitution and the acceptance while in office of bribes amounting to an astronomical figure of 225.9 billion won, defendant Chon, showing no sign of repentance whatsoever, has rationalized his acts through self-opinionation and excuses."

The same is the case with former President No Tae-u, who, together with Chon, masterminded the 1979 mutiny and the 1980 Kwangju massacre, and who took 283.8 billion won in bribes while in office, the prosecution argued. "Defendant No has merely attempted to rationalize his wrongdoing," it said.

In his final argument for the defendants in the trial session, court-appointed defense lawyer Kim Su-yon demanded that the case be dismissed on grounds that the statute of limitations had expired.

"This case must be entrusted with history: It should not be subjected to a court trial," Kim argued.

"The May 18 incident special law, having been legislated confidentially, is clearly un-constitutional," the defense attorney said. "To return guilty verdicts for the defendants, therefore, will once again disrupt the constitutional order."

Arguing on behalf of defendants Chon and No in regard to their corruption charges, defense lawyer Min In-sik said, "A public action should clarify the elements constituting a crime. But the relationship to one's duty and the institution of bribery in this case are not specified... One cannot be subjected to punishment only on the basis that he received bribes."

ROK: Chon, No, Other Defendants Issue Final Statements at Court

SK0508123996 Seoul YONHAP in English
1220 GMT 5 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 5 (YONHAP) — Here is the gist of the final statements made during a trial Monday by former President Chon Tu-hwan and other key defendants involved in the cases of Dec. 12 coup and may 18 Kwangju incident:

Chon Tu-hwan — Already in my statement at a public hearing held at the National Assembly on Dec. 30, 1989, I said I alone was responsible for all things and I was ready to go to prison or even to die if the people so wish.

From the date I returned home alone after losing so many important figures in Burma, I have been living with the belief that the heaven had given me an extra life and dictated me to better serve the nation.

I therefore am not afraid of any punishment. All I wish is that the punishment of me would prevent any split of public opinion and the waste of national energy.

Lastly I sincerely wish that the practice of trying the leaders of a former regime in political reprisal would come to an end with the case of myself.

No Tae-u, former president — As a man who once assumed unbounded responsibility toward the people, I have no intent of shunning any responsibility.

All histories have both dark and bright sides and it is unreasonable to judge things that took place under past conditions with today's yardstick.

I still believe that I had done my best under the then social and political conditions following the assassination of President Pak Chong-hui.

But, I feel sorry for failing to rectify ill political practices and to honorably dispose of large funds.

I looked back over myself in the past 10 months' imprisonment. The conclusion I reached was that I never received any bribe or took money for my personal fortune building.

And, I never thought of using the money for personal purposes after my retirement.

Today's trial will not end in the trial of No Tae-u himself but will remain an issue of our history.

Yu Hak-song, former assistant defense minister — As I had been a military officer in most part of my life, I had the belief that national development is the paramount goodness.

During the Dec. 12 incident, I did my best to forestall a clash between the opposing forces. If this constitutes a sin, I would readily accept punishment.

Pak Chun-pyong, former division commander — What I wish to make it clear here is that ever since I was a military academy cadet, I had tried to honorably fulfill the duty of a career officer. I never undermined the honor of the military academy and army for the sake of my personal gains.

But, I have been prosecuted on charges of military rebellion, an action which trampled down upon the honor of my having been a career officer.

This trial gives a teaching to career military officers regarding how for them to behave.

On the evening of Dec. 12, 1979, I went to the 30th Security Group with the understanding that there was a dinner meeting. But, I never knew about or discussed the arrest of the Army chief of staff.

I think I did what I was supposed to do at that time. As I went through this trial, I thought I couldn't have done any better.

Chong Ho-yong, special warfare commander at the time of Kwangju incident — I first wish to say "I am sorry" to the bereaved families of Kwangju victims.

I haven't been living a life with lies, excuses or nasty tricks. The statements I made during the trial were all true. I couldn't say fully because if I did, it could give the impression that I was shifting blames to my subordinates.

I was shocked to hear the prosecution demand life imprisonment for me. I hope the court will give a verdict based on facts.

I thank the prosecution for not taking legal actions against field army commanders in Kwangju at that time. If my sacrifice is needed, then I think it is my fate.

I repeat that we had no intent of seizing power or causing rebellion through the Kwangju incident.

Hwang Yong-si, former army corps commander — I had been working with the sense of mission that I, as a soldier, was helping defend the homeland.

If there still was any sin on my part, I would humbly accept punishment. I hope this trial will serve to console the souls of victims and help promote national harmony.

ROK's Jun Industrial Output Increases 3.8 Percent

SK3107023196 (Internet) The Joong-Ang Ilbo WWW in English 31 Jul 96

[FBIS Transcribed Text] Korea's industrial output rose only 3.8 percent in June (9.8 percent in May) in comparison to [a] year ago, recording a 7.9 percent increase for the entire first half, the National Statistical Office (NSO) announced Tuesday. Labor disputes at auto-makers and large-scale facility repair projects by chemical makers were attributed to the low output gain in June. Exports of semiconductors and steel and iron products continued to be sluggish and business inventories surged 20.2 percent in June, the highest rate of increase since September of 1991 (20.3 percent). Factories operated at 77.8 percent capacity last month, also the lowest since January of 1993 (76.4 percent). The private construction sector is facing slowed-down business prospects as well.

Burma

Burma: News Conference Held To Criticize U.S. Embassy Reports

BK0308153296 Rangoon TV Myanmar Network in Burmese 1330 GMT 3 Aug 96

[FBIS Translated Text] With regard to a paper on commerce in Myanmar [Burma] and a report on the economic situation and developments in Myanmar dated 1 August 1996, which were prepared and published by the U.S. Embassy in Yangon [Rangoon], a news conference was held with local and foreign journalists at the Ministry of National Planning and Economic Development's meeting hall at 1400 today.

The news conference was attended by Brigadier General Abel, minister of national planning and economic development, responsible personnel of the ministry, and local and foreign journalists.

First, the minister said the two reports prepared by the U.S. Embassy in Yangon are unofficial. The statistics in the reports are not from the U.S. Government, but they are the U.S. Embassy's estimates. He then explained the main points in the reports. He said they are not reliable and cannot be used as official references because of the intention behind preparing these reports. Although they were prepared as economic reports, it can be seen that they are not reliable reports because politics is stressed in them, and there are no references to the statistics in the appendix. He added: That is why the senior journalists attending this news conference can judge the worthiness of these reports and whether they can be used as references.

He said these reports were prepared to create doubts and to weaken people's belief in the economic efforts and national construction works that are being successfully implemented by the State Law and Order Restoration Council [SLORC]. In dealing with international financial organizations and other organizations, the SLORC is practicing an open and frank relationship that does not hide anything. The governmental statistics and annual report that are occasionally published for the public are correct and reliable, and one can scrutinize and inquire about these figures with the organizations in the ministries. He said answers will be provided if there are any unclear points and questions regarding the reports prepared and published by the U.S. Embassy in Yangon dated 1 August 1996.

The minister used reference books to answer questions posed by local and foreign journalists. The news conference ended at 1530.

Burma: Senior Officials Hold Talks With Thai Counterparts

BK0308124296 Rangoon Radio Myanmar in Burmese 1330 GMT 2 Aug 96

[FBIS Translated Text] Senior officials of the Myanmar [Burma]- Thailand Joint Commission for Bilateral Cooperation held a third meeting at the Inya Lake Hotel's Ruby Hall at 0930 today. At the meeting, the Myanmar delegation was headed by U Khin Maung Win, director general of the Foreign Ministry's Political Department, while the Thai delegation was headed by M.R. [Mom Ratchawong — royal title] Thep Thewakun, permanent secretary for foreign affairs.

They held discussions on matters related to bilateral cooperation, such as: mutual visits by goodwill delegations from both sides; the energy, forestry and fishery sectors; boundary demarcation; transportation and communications; culture and tourism; technological and economic cooperation; trade, investment, and the establishment of the Myanmar-Thailand-China-Lao quadrilateral communications network; and cooperation in resolving narcotic problems.

The delegations will continue their discussions at the Inya Lake Hotel on 3 August.

Burma: Thai Foreign Minister, Delegates Arrive in Rangoon

BK0408143396 Rangoon TV Myanmar Network in Burmese 1330 GMT 4 Aug 96

[FBIS Translated Text] At the invitation of Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council of the Union of Myanmar [Burma], a Thai goodwill delegation led by Dr. Amnuai Wirawan, deputy prime minister and foreign minister of Thailand, arrived in Yangon [Rangoon] this evening aboard a special aircraft.

The Thai deputy prime minister and foreign minister and his party were welcomed at Yangon International Airport by Foreign Affairs Minister U Ohn Gyaw; U Nyunt Swe, deputy minister of foreign affairs; U Hla Maung, Myanmar [Burmese] ambassador to Thailand; responsible Foreign Ministry personnel; Mr. Ponsak Nin-ubon, Thai ambassador to Myanmar; and responsible Thai Embassy personnel.

Dr. Amnuai Wirawan hosted a dinner in honor of Thai entrepreneurs in Myanmar at the Kandawgyi Palace Hotel at 1900 today. The dinner was attended by Thai goodwill delegates, Thai Ambassador Mr. Ponsak Nin-ubon, Thai Embassy staff, and Thai entrepreneurs.

Burma: Editorial on Ohn Gyaw's Remarks at News Briefing

BK0308144396 Rangoon THE NEW LIGHT OF MYANMAR in English 2 Aug 96 p 6

[Editorial: "Nay To Doomsayers"]

[FBIS Transcribed Text] The outcome of the ASEAN meeting in Jakarta last month where Myanmar [Burma] was accorded Observer status and eventual full membership was a clear act of saying nay to doomsayers.

From the very beginning when ASEAN was put together, the founding fathers consulted Myanmar, as [Foreign Minister] U Ohn Gyaw told the news briefing yesterday. They wanted Myanmar in.

Now, as one of the emerging Asian Tigers, Myanmar is ready to be invested among the Asia Ten. And, invest they did, altogether repudiating the claims of doomsayers.

Ali Alatas, U Ohn Gyaw's Indonesian counterpart who chaired the meeting would only let our Foreign Minister state his case, built on facts and not on fantasy that the doomsayers had been churning up. Not a single word could further be heard from the Western camp in the hallowed Jakarta hall of conferences.

In recalling his experience to the Information Committees's news briefing, U Ohn Gyaw also found it fit to bring to the attention of the Press, and through them, the world, the fact that to the very last minute there were attempts to interfere in Myanmar's internal affairs, sowing distrust and dissensions the way neo-colonialists and big-power chauvinists do.

"Our primary aim is to have dialogue and obtain consensus among our nationalities," the Minister for Foreign Affairs repeated his words to the Jakarta conference. That, he said, is the ongoing National Convention where delegates have already approved by consensus 15 Chapter headings and 104 basic principles and have also deliberated upon and agreed on the separation of powers, plus power-sharing between the central and States/Divisions assemblies.

National reconsolidation has been forged, he said, to the point where differences were narrowed down and agreement reached whereby 15 of the armed groups have come to the embrace of the State Law and Order Restoration Council. A bonus on that achievement was the unconditional surrender of men led by U Khun Sa.

Although there may be those who want disorder and street demonstrations, they are out of the question, for no one, except the mentally deranged, would want a repeat of the 1988 scenario.

More reassuring, Minister for Finance and Revenue Brig-Gen Win Tin defended the economy and the banking sector.

All this proves we have delivered a resounding 'Nay' to doomsayers wherever they are.

Burma: Information Committee Gives News Briefing

BK0308132396 Rangoon TV Myanmar Network in Burmese 1330 GMT 1 Aug 96

[FBIS Translated Excerpt] The Information Committee of the State Law and Order Restoration Council [SLORC] held its first news conference at 1200 on 1 August at Studio A of the Department of Myanmar Television and Broadcasting Service.

The news briefing was attended by: Major General Aye Kyaw, head of the SLORC Information Committee and information minister; Foreign Minister U Ohn Gyaw; Brigadier General Win Tin, finance and revenue minister; Brig. Gen. Aung Thein, director general of the Department of Public Relations and Psychological Warfare of the Defense Ministry; Information Ministry adviser U Kyaw San; committee members; local and foreign news correspondents; visiting journalists from KYODO, NHK, YOMIURI, NIHON KEIZAI, and ASAHI SHIMBUN; and cultural and information attaches from the Embassies of Bangladesh, the People's Republic of China, France, Germany, Indonesia, Nepal, Sri Lanka, Yugoslavia, Japan, Egypt, Singapore, the United States, the Russian Federation, Thailand, Philippines, Pakistan, India, the United Kingdom, and Italy.

Speaking at the news conference, Maj. Gen. Aye Kyaw, head of the SLORC Information Committee and information minister, said today's news conference is the first by the SLORC Information Committee in 1996. [passage omitted]

He said the news conference, the first of its kind since the reorganization of the Information Committee, is being held because the foreign media has been carrying false and incomplete news on Myanmar [Burma]. He explained that the news conference was being held to enable local and foreign news agencies to obtain news correctly. He said there would be two main topics at today's briefing: first, Foreign Minister U Ohn Gyaw's attendance at the recent ASEAN Meeting in Jakarta and, two, an explanation of Myanmar's economic and monetary affairs by Brig. Gen. Win Tin, minister of finance and revenue, and the ministries concerned.

He said those in attendance from the news agencies can freely field questions and that the committee members would answer their questions.

Addressing the news briefing, Foreign Minister U Ohn Gyaw, who recently attended the 29th ASEAN Ministerial Meeting in Jakarta from 20-23 July, explained the acceptance of Myanmar as an ASEAN observer nation.

He said he would explain the issues discussed at the ASEAN Regional Forum [ARF] and the 22 July news conference in Jakarta. [passage omitted on background to Myanmar's interests in joining ASEAN]

He said Myanmar's foreign policy places priority on good relations with neighboring countries and that there are no major outstanding issues with ASEAN countries. He said, although Myanmar did not join ASEAN initially, it has always had mutual respect for ??ASEAN and has remained aware that Myanmar is part of Southeast Asia and hopes to join ASEAN one day. He said that has been the aim of the SLORC, which came to power in 1988-89 and introduced political, economic, and social reforms. [passage omitted on Myanmar's measures to join ASEAN]

He said the ARF formed by ASEAN stressed security issues in its meetings and that security is no longer defined in 1967 terms; security now means securing development free of external interference. He said the ARF is not the kind of forum that endorses resolutions. [passage omitted on ARF procedures]

He said Myanmar automatically became a member of the ARF after it obtained observer status at the ASEAN. He said that was why he attended the ARF meeting in addition to the ASEAN Ministerial Meeting in Jakarta. [passage omitted on composition of ARF and issues raised at the recent meeting] He said that security issues were discussed at the meeting.

There was an interesting event on 22 July at a working dinner, where the Western nations led by the United States asked the Indonesian foreign minister, who was chairman of the ARF Ministerial Meeting, to express their concern over developments in Myanmar. They thought that there were tensions in Myanmar and the likelihood of disturbances, and they would like Myanmar, an ARF member, to address this issue at the meeting. He said Foreign Minister Ali Alatas consulted with him on this matter on 23 July, and he agreed to address the meeting. He said he was able to report on the situation in Myanmar at the meeting, and none of the Western nations made a statement.

Minister U Ohn Gyaw said he addressed four issues at the ARF meeting—dialogue, detainees, the national convention, and the return of the 15 armed groups to the legal fold and development. In a response to the Western nations stance, he explained that the term dialogue was used only about a year ago and that the issue of dialogue came into vogue after 10 July 1995 [date of Aung San Suu Kyi's release]. He said we have actually been engaged in dialogue since 1993 by holding the National Convention—a systematic forum where there had been no difficulties initially.

He explained the National Convention, held originally with 700 delegates, consulted and reached agreement on 15 chapter headings and issued guidelines and resolutions. He said the convention had deliberated and endorsed self-administered regions and states, and three sovereign powers relating to the executive, legislature, and judiciary. He said when the convention resumed it would discuss the separation of powers among judicial bodies of the states and regions. He said he discussed the issue of dialogue by referring to these points. [passage omitted on further explanation on convention]

Continuing, Foreign Minister U Ohn Gyaw explained that he addressed the issue of detainees at the ARF. He explained that there are no political detainees and that any person who violates the law would be punished in accordance with the laws inherited from the British. [passage omitted on legal system]

He said he explained at the forum that the National Convention had completed one-third of its work and that only a few more chapters have to be discussed. He mentioned that the NLD [National League for Democracy] left the convention in November 1995 and that they were removed from the National Convention two days later. He also reported that 15 armed groups had returned to the legal fold, and the pledge was made to them to bring about development in the future through mutual understanding and cooperation. He said mutual trust among the national races has been established. [passage omitted on lack of development due to armed conflict]

Continuing, he explained that Khun Sa had surrendered unconditionally and that this has helped greatly in combating narcotic drugs regionally, internationally, and in Burma. He said narcotic drugs have both a supply and demand side and that there will be supply as long as there is demand. He said his government has made a firm decision to completely eliminate the cultivation of narcotic drugs and opium with the help of indigenous nationals in the border regions.

He said the ARF meeting has contributed greatly to understanding. He said some foreign delegates had expressed their concern and hinted at sanctions and pressure on Myanmar, using the United Nations. The views of the ARF and that of Myanmar do not concur. After Myanmar obtained observer status in ASEAN, some journalists asked when it would become a full member. He replied that Myanmar would be prepared to join when ASEAN is ready to accept it. He said we are not reluctant to wait. He said Myanmar would participate fully as an observer nation in future ASEAN meetings and is prepared to observe the pledge made to the ASEAN. He said Myanmar is also prepared to participate more widely by contributing to regional stability and by conducting closer ties.

Next, Brig. Gen. Win Tin, the finance and revenue minister, explained Myanmar's economic and monetary affairs, elaborating on measures taken to increase revence. He said assistance has been obtained from the United Nations Development Program and the International Monetary Fund to expand the revenue base, facilitate revenue collection, and improve revenue management, and these measures have brought positive results.

Explaining the revenue collection rate, he said the tax rate had previously been high, but the rate on imported goods calculated on the official exchange rate affected the volume of revenue. He said the tax rate has been reduced to one-tenth of the previous rates and the rate on imported goods is based on market value. He dismissed the rumors that the tax rate on imported goods is based on the rate of 100 kyat to one U.S. dollar.

He said monetary reforms had been carried out and the private sector has been allowed. He said there are currently four state banks, including the Myanmar Central Bank, one public finance company, 20 local private banks, and offices of representatives of 29 out of 42 licensed foreign banks. He said the state-owned Myanmar Insurance Enterprise has been formed under the 1993 Myanmar Insurance Law, and Insurance Law has been issued on 24 June this year to allow private sector in insurance.

He explained there were unfounded rumors recently about domestic private banks, in particular about Myanmar May Flower Bank. He said this issue had been explained on 24 July a?d that, despite the rumors, the Myanmar May Flower Bank has been able to open its international banking department. He said the progress in banking can be seen in the opening of the headquarters and a new branch of the Myanmar Oriental Bank in Pansodan on 29 July. He said these events demonstrated that the rumors were unfounded. He said these rumors were aimed at destabilizing the banking system and creating unrest in the country. He said he would like to point out that the Myanmar Central Bank is on constant watch to ensure the country's banking system remains stable and strong.

He said the Central Myanmar Bank's Department for Overseeing Banking Operations is striving to obtain information on the stability of individual banks and other related matters and is capable of taking the necessary measures. The Central Bank will not remain indifferent to a financially unstable individual bank affecting the health of the entire banking system. He said the rumors are groundless, that the Myanmar Central Bank is closely supervising the banks, and that the monetary situation is strong as domestic banks are operating according to firm banking principles. He said he had already explained the issue of currency notes that meet international standards at the time of opening of Myanmar May Flower Bank's international banking department. He reiterated that the Lion King series five Kyat, 10 Kyat, 20 Kyat, 50 Kyat, 100 Kyat, 200 Kyat, and 500 Kyat currency notes were issued in the interests of the people. [passage omitted]

He said he would like to reiterte that the existing monetary system is reliable, strong, and stable and urged the people to have faith in Myanmar's economy and banking sector.

Next, Brig. Gen. Aye Kyaw, head of the SLORC Information Committee, ministers, and members of the committee responded to questions from the local and foreign journalists.

[Begin recording, in English] [U Sein Win, Myanmar Foreign Correspondents Club chairman] [passage in Burmese omitted] For the benefit of my foreign colleagues, I will repeat the question in English. At the recent ASEAN Fourth Ministerial Meeting in Jakarta, United States Secretary of State Warren Christopher said if there is a delay, or if it takes time to transfer power to the democratic regime [in Myanmar], there is a greater chance of bloodshed, instability, and refugee problem in this country. My question is whether there is any likelihood of bloodshed, instability, and refugee problem in this country.

[U Ohn Gyaw] There is definitely no possibility. My response to the press—also, as well as, of course, there are American press personnel also in Jakarta—that my briefing to the ARF, as well as in the process of press conference, I assured them that the fact that we become the observer nation of the ASEAN is the proof that we are stable and that we are committed to have the constitution, we are committed to have the multiparty system, we are committed to have the welfare of the people. So that is the reason why, whenever the press or Mr. Warren Christopher—whatever he may be saying—that there is no chance that the tension or the disturbances will be taking place. But of course, if everybody is to adhere to the existing laws—as I have said, if anybody transgress the law—then of course, it will be, he or she would be taking action. It is in accordance with the law. But as far as the developmental strategy and developmental progress is concerned, then we do not expect that disturbances will be there, no tension whatsoever. This is the message that I have given to the ASEAN meeting.

[(Takata Yomi) of YOMIURI SHIMBUN] I like to ask a question to Mr. Foreign Minister. The ASEAN members asked for Myanmar to complete the drafting of the new constitution before becoming the full membership of the ASEAN countries.

[U Ohn Gyaw] There is no precondition, and nobody asked me or nobody asked the government to complete the convention. It is a process. As a country, we belong to Southeast Asia geographically, and then we have 48 million people, we have natural resources, we have the trade and commerce potential. And the founders of the ASEAN—founding fathers of ASEAN—had vision that at one stage there will be 10 Southeast Asian countries, and this is the moment. Now we have technology, we have the growth rate far better than any other part of the world. That is the reason why, taking this opportunity, they would like to invite willingly, with open arms, that if we are ready we can go in. But among the ASEAN countries, there is no precondition of internal affairs. This is what Ali Alatas has said to the West—that whatever is the internal affairs, it is the cardinal principles of the ASEAN that they are not going to interfere. This is the cardinal rule, and they are not asking us.

[Unidentified correspondent] I think you have just used the word expel about the NLD a few moment ago, while you were briefing us. NLD was expelled from the National Convention, and I think I understand that. I wonder if there are any ways for the government to let them back into National Convention. In another word, cancellation of expulsion?

[Unidentified Burmese official] Well, the NLD delegates—they get out of the National Convention on their own accord. We have adopted the rules of procedures to be followed by the delegates of the National Convention. Under these rules, those delegates are to attend the plenary sessions regularly. And, if they cannot, they have to get prior permission from the panel of chairmen. If the delegate fails to attend the panel of chairmen for two consecutive days without prior permission from the panel of chairmen, they are subjected to revoke as being delegates of National Convention.

In the case of NLD delegates, they have been absent for two consecutive days, that is 29 and 30 November 1996 [date as heard], without having prior permission from the panel of chairmen, so the panel of chairmen submitted the matter to the National Convention Convening Committee and the National Convention Committee under the provision of Rule 48 of the Rules of Procedures revoked these delegates as delegates of National Convention. I think that is the answer to your question.

[Unidentified correspondent] [words indistinct] for them to be back.

[Unidentified Burmese official] [In] the Rules of Procedure prescribed by the National Convention Commission, there is no provision for a reentry of any delegates. [passage omitted] [end recording]

The first news briefing of the SLORC Information Committee ended at 1320.

Burma: KNU Leaders Interviewed on Latest Talks With SLORC

BK0408123196 Bangkok BANGKOK POST (PERSPECTIVE) in English 4 Aug 96 p 3 (Supplement)

[Interview with General Bo Mya, General Tamalabaw, and Padoe Mahn Sha, Karen National Union leaders, by Ralph Bachoe in Onphan, on the Thai-Burmese border—date not given]

[FBIS Transcribed Text] [BANGKOK POST] Could you explain the latest ceasefire talks with Slorc [State Law and Order Restoration Council]? What is your view? How would you assess the whole situation?

[Bo Mya] We have still to reach a ceasefire agreement. Slorc is still insisting that we lay down arms once we return to the "legal fold". This, of course, is out of the question as far as the KNU [Karen National Union] is concerned.

We understand a ceasefire pact is to help resolve the problems that exist between the KNU and Slorc. And the main issue here is a political settlement. This is the crux of what the Karen revolution is all about.

For us to agree to a ceasefire, Slorc must first agree to concede to whatever political concessions are necessary. Only then we would be able to come to terms with them.

[BANGKOK POST] What are the terms, this time, agreed upon? What does Slorc want and what are KNU terms or proposals?

[Tamalabaw] We have submitted 12 proposals. First, for a complete ceasefire. This is our basic principle. We tried to propose without any preconditions that we discuss the related principles in achieving such an agreement.

Clauses like returning to the "legal fold" and laying down arms should not be included in the agreement. Also we believe the ceasefire should be a nationwide affair. After this is agreed upon we are willing to sit down at the table. This should be a step-by- step process in which all parties and groups in the country should participate.

On the other hand, what they are demanding is a complete ceasefire followed by regional development, after which a promise of disarmament from the KNU. This, of course, is not acceptable to us. These are the points of contention between the Slorc and the KNU. Slorc has assured us that our proposal would be taken into consideration and will be further discussed when both sides meet again in the near future.

[BANGKOK POST] Do you have any plans to lead the next delegation to the talks?

[Bo Mya] No, not at the moment. However, should they in one way or another indicate that they truly want genuine dialogue which would lead to a permanent ceasefire, then I might consider leading the team.

[BANGKOK POST] Is there any possibility of reaching an agreement with Slorc in the near future?

[Bo Mya] We cannot say right now. We will continue to negotiate not once, twice or three times, but until they come to fully understand our position. If they can't then they only have themselves to blame.

[BANGKOK POST] What did Gen. Khin Nyunt have to say during your brief encounter?

[Tamalabaw] What he said was Slorc has been striving to achieve nationwide peace. And because of these peace efforts many of the armed ethnic forces have come to an understanding with Slorc. He said the KNU should seriously consider the peace initiatives.

[BANGKOK POST] And what did you to have to say to that?

[Tamalabaw] We have been working towards achieving peace since a long time ago. (Gen. Tamalabaw was present at the very first peace talks in 1963 during the era of the Revolutionary Council headed by Gen. Ne Win). I have now come again to attempt to establish a genuine and lasting peace. I told him that it was impossible to come to terms all at once, and also that it would be impossible just for Slorc and the KNU alone to achieve peace. Genuine peace would only be possible if all parties concerned are involved in the talks.

The KNU already have principles laid down in finding lasting peace a long time ago. But our approaches (peace process) differ. However, we could gradually work toward coming to an understanding to reach our objectives.

[BANGKOK POST] Where do the talks stand now compared to the second meeting in February?

[Padoe Mahn Sha] We carried on where we left off during our last meeting based on the important points of the 12-point proposal such as a nationwide ceasefire and finding a political settlement. However, to abandon the armed struggle and return to the "legal fold" are two issues that are unnecessary to talk about at this stage. We have never even considered them for discussion. The topics discussed during the second and third meetings are basically the same. But one significant development was the meeting this time round was more cordial and open.

[BANGKOK POST] Do you take this as in indication of a thaw in the relationship between Slorc and the KNU?

[Padoe Mahn Sha] Yes could call it as such. [sentence as published]

[BANGKOK POST] Who were your Slorc counterparts during talks in Moulmein?

[Padoe Mahn Sha] Team leader Deputy Director-General of the Military Intelligence Col. Kyaw Win, Col. Kyaw Thein, Lt. Col. San Pwint, Lt. Col. Myo Myint (G1) [Grade 1], Maj. Myo Myint (MI5) [Military Intelligence 5], Col. Khin Maung Kyi (MI25) [Military Intelligence 25], Capt. Kyaw Thura who was accompanied by Col. Kyaw Thein from Rangoon, and Deputy Divisional Commander (Southeast Command) Major Gen. Aung Thein.

[BANGKOK POST] Did the delegation make an attempt to meet Daw Aung San Suu Kyi during your visit to Rangoon?

[Gen. Tamalabaw] We would love to meet her. However, as soon as we arrived we were told to stay away from Daw Suu, and all embassies even before we could put in for such a request.

[BANGKOK POST] As one of the participants of the first peace talks in 1963 and now a member of the latest, what differences do you see in the approach and style?

[Gen. Tamalabaw] The negotiation process is different. But the principle remains the same. We returned because we failed to reach an agreement. They (then) said that if we wanted to continue with the negotiations we would have to be restricted to a designated grid line (area). Nothing has changed since then. Their terms are still the same.

[BANGKOK POST] When are the next round of talks scheduled?

[Tamalabaw] We have agreed to continue with the negotiations. However no specific date has been set.

[BANGKOK POST] What message do you have for Daw Aung San Suu Kyi?

[Bo Mya] We believe what Daw Aung San Suu Kyi, one way or another, is working toward restoring democracy to the country. I must say what she is doing is in the best interests of the people. So it is imperative that she continue with her work until democracy is returned.

Burma: NLD Representative Reportedly Rearrested in Rangoon

BK0408131896 Oslo Democratic Voice of Burma in Burmese 1100 GMT 4 Aug 96

[FBIS Translated Text] It has been learned that the MI12 [Military Intelligence 12] rearrested Dr. Aung Khin Sint, an elected representative of the NLD [National League for Democracy] from Mingala-Taungnyunt Constituency-1, on 23 July. Dr. Aung Khin Sint was a member of the representatives-elect delegates group and represented the NLD at the National Convention. Dr. Aung Khin Sint was suspended from the National Convention in late (?1993) for distributing documents (?concerning) the National Convention and was later sentenced to [words indistinct]. After his release, he was rearrested during a mass arrest that took place before the NLD Conference held at Daw Aung San Suu Kyi's residence on 27 May. He was released recently and was rearrested.

It has been learned that Dr. Myo Nyunt, an elected representative of the NLD from Dedaye Constituency-1, was recently charged under Section (?18/19) of the Medicine Act. The SLORC also arrested his wife when it was unable to arrest Dr. Myo Nyunt during the mass arrest that took place before the NLD Conference that was held at Daw Aung San Suu Kyi's residence on 27 May. The SLORC revoked Dr. Myo Nyunt's medical license when he refused to submit his resignation as an elected representative.

DVB [Democratic Voice of Burma] correspondent Soe Win Nyo filed this report.

Burma: Detained NLD MP Dies at Rangoon Hospital

BK0408121596 Oslo Democratic Voice of Burma in Burmese 1100 GMT 4 Aug 96

[FBIS Translated Text] It has been learned that U Hla Than, an elected represented of the NLD [National League for Democracy] from Coco Islands Constituency, died at Rangoon General Hospital [RGH] at 1600 on 2 August.

The SLORC [State Law and Order Restoration Council] arrested U Hla Than on 23 October 1990 for attending a secret meeting on forming a parallel government—which was held at the residence of [name indistinct], an elected presented from Amarapura, Mandalay Division—and for attending meetings at the NLD office in Southwest Township, Mandalay on 30 September 1990. He was later sentenced to [words indistinct]. U Hla Than, 49, became ill after suffering in jail for nearly six years and was not given proper medical treatment. He was sent to the RGH on 9 July when his condition worsened.

Before his arrest, he was a Supreme Court advocate and chairman of the NLD in Kemmendine Township. He also served in the Navy from 1965 to 1977. The funeral rites will be held on 5 August, but his families can barely afford the funeral expenses.

DVB [Democratic Voice of Burma] correspondents Soe Win Nyo and Aung Hlaing U filed this report.

Burma: Article Calls Suu Kyi 'Dictatorial Leader'

BK0308154096 Rangoon MYANMAR ALIN in Burmese 1 Aug 96 p 6

[Article by U Phyo: "Mend Before It's Late, Htet Htet Moe Pyu"]

[FBIS Translated Excerpt] As a Buddhist, I always show my gratitude to those who are grateful to me, and I will try my best to continue this act. Besides my parents and mentors, I need to show my gratitude to General Aung San, a national leader. Gen. Aung San bravely and decisively fought the English imperialists. He revolted against the English imperialists, who were the enemies of Myanmar [Burmese] nationals, and strived for the independence that was greatly desired by the people.

To express my gratitude to Gen. Aung San, I would kindly like to criticize and correct his daughter's [referring to Aung San Suu Kyi] wrong attitudes and actions. I believe the prestige of Gen. Aung San, our savior, will be increased if she simply accepts my criticisms and correct her mistakes before it is too late. If she accepts my criticisms and corrects her mistakes, she will become more compatible with her life and her surroundings, and it will bring great enjoyment.

There is a saying that a potter must pound on a pot while making it, with the intention of making it beautiful but not to break it. Similarly, I am going to make some criticisms, not to get her into trouble or to affect her interests but to encourage her to correct her mistakes so that it will bring benefits to her and the situation. [passage omitted on Burmese saying on the duties of children]

The first point to address is whether she expressed her gratitude to her parents. Her father was a great patriotic man who assiduously worked for the country and the people. Did she follow her father's policy and path? Did she ever express her high patriotism and anti-imperialist spirits like her grandfather, Bo Min Yaung, and her father, Bo Teza. What a sad thing! She was married to a race that decapitated her grandfather and provided weapons to her father's assassins. How is she going to continue with foreign blood in her? So, my first conclusion is that she is a contumelious daughter who has failed to fulfill a child's duty, which is maintaining the parental lineage. [passage omitted on Burmese saying on the duties of wife]

The second point is that when a woman becomes a wife she must perform the duties of wife and fulfill her husband's needs. She is a wife who has not been performing her duties because she has not been discharging her duties and fulfilling her husband's needs as a wife for a long time.

The third point is that she is not discharging her duties as a mother. [passage omitted] She is a mother who lacks consideration and warmth.

The fourth point is that she is a dictatorial leader who lacks respects for others and who is weak in dealing with her party's respectable and elderly members. It has also been learned that she often gets angry and rejects all the ideas and suggestions presented by her colleagues when she disagrees with them.

The fifth point is that she is an unworthy citizen because she has a negative outlook and no regard for the Defense Service government that is rebuilding the country, which is lagging behind in every aspect. She tells the international community not to provide assistance to Myanmar [Burma], not to invest in Myanmar, to impose sanctions on Myanmar, and to take actions against Myanmar. She tells tourists not to visit Myanmar and tells the World Bank not to provide loans to Myanmar. With her negative attitude, she is working to hurt the country in which she resides. [passage omitted]

To express gratitude to Gen. Aung San, our savior and leader, can she not show even a little love for the Myanmar that was cherished by her father? [passage omitted on state government implementing development programs throughout the country]

There is a maxim: Even things that break down quite often can be fixed in a short time. I hope that she discards her wrong ideas and attitudes, adopts a constructive and progressive view, and becomes a good mother, a good wife, a gentle comrade of the party, and a citizen with genuine goodwill, who does not disturb and disrupt the country and block the country's development. It is too late, however, for her to be a good daughter who maintains her lineage. I cannot do anything but ignore this matter.

If she will simply follow my advice, then the title Academy Htet Htet Moe Pyu [derogatory reference to Aung San Suu Kyi meaning sharp-tongued woman], that was conferred by me, will be very suitable for her. I would like to remind her that if she refuses my advise and continues to engage in destructive acts, then from Academy Htet Htet Moe Pyu she will automatically become Academy Htet Htet Sone [Sorceress] Pyu.

Burma: Report Views Conditions Inside Insein Prison

BK0208145096 Bangkok THE NATION in English 2 Aug 96 p A10

["Extracts" from a report by Burmese activist Win Naing Oo entitled "Cries From Prison," published by the All Burma Students Democratic Front; place and date not given]

[FBIS Transcribed Text] During his time in prison under the British, U Nu, later to become prime minister, and fellow student activists hired a famous Burmese performance troupe to keep them entertained. U Nu and his associates were regarded as "first class" political prisoners. Well-known writers such as Mya Than Tint and Bamaw Tin Aung, who spent half their lives in jail, used the time to write many novels.

Today, Burma's main prison, Insein, remains filled with hundreds of political prisoners. But anybody who has been inside dreads the idea of going back.

Win Naing U was a final year student at the Rangoon Institute of Technology. He had actively participated in the democracy movement and joined the All Burma Students Democratic Front (ABSDF). But in 1990, he sneaked into Rangoon and was arrested.

He was sentenced to three years imprisonment. This time was shared between Insein and Tha Yet prisons.

After he came out of Burma he wrote a prison report, "Cries from Prison", which was published by the ABSDF.

"The prison system of a country often reflects the type of government ruling that country," Win Naing U wrote in the introduction.

"The situation in prisons gives an indication of the situation in the country as a whole"

Because of this, jails in Burma are places dominated by violations of the inmates' dignity, brutal harassment and any kind of ill-treatment that the authorities choose to dish out. There are a total of 36 prisons in Burma, of which Insein prison is the biggest, and the most infamous in terms of human-rights abuses. Other prominent prisons include Tha Yet prison and Thayawadi prison.

Following are extracts from Win Naing U's report.

Health situation

The hospital inside Insein prison has some beds but they are nearly always occupied by "pretend-patients" who pay money to the prison doctors so that they can sleep in the hospital beds.

These pretend-patients are also allowed to stay in the better and cleaner cells of the prison hospital. Real patients who cannot afford the bribes do not have access to the hospital beds or good cells but rather have to stay in the corridor or in the toilet and storage areas which are very unhygienic and smell offensively.

If prisoners are ill, the hospital provides no medicine except some kind of temporary analgesic and antipyretic, such as Paracetamol.

There is only one doctor at the prison hospital. The doctor neither examines patients nor prescribes medicine for them; these tasks are carried out by other prisoners, who have only an extremely rudimentary knowledge of medical matter taught to them by the prison doctor.

Nearly all the medicine stocks from the prison hospital are smuggled out and sold in the markets outside.

Worse, still, the hospital does not admit patients unless they first pay a bribe: otherwise they are admitted to the hospital only when they develop serious complications, but by this time it is usually too late and most die.

Additionally, the hospital provides no sheets and no blankets for patients. If a prisoner has their own blanket they can use it, but otherwise none is provided.

There are no appropriate medicines provided; no regular checks by doctors; no proper diagnosis; no proper treatment; no assistance or care of any kind for the patients. Therefore, most of the patients who are admitted to the prison hospital die there. Even if they survive, all end up suffering from malnutrition and become very thin.

This neglect in prisons has contributed to the high death tolls of prisoners. Recently, Leo Nichols died as a result of lack of medical care in prisons. Since 1988 many prominent politicians, writers, students have died in prison. The majority of deaths were due to dysentery.

But Win Naing U said, the prison hospital takes very good care of those who bribe them dearly. The hospital buys medicines from outside if required for those prisoners. If need be, they are even transferred to a good hospital outside.

The most common diseases among the prisoners are: gastrointestinal diseases (amoebic dysentay, bacillary dysentery and diarrhoea), jaundice (viral and amoebic hepatitis), and skin diseases. The sources of transmission of the infection are poor sanitation, a lack of personal hygiene (particularly because of poor water supplies), unclean and semi-cooked food, dirty kitchens, and polluted surroundmgs.

Owing to drug abuse, there is also a high prevalence of HIV/Aids in prisons. When administering injections, the doctors give only half or less than half of the phial to one patient, giving the rest to another patient from the same needle and syringe, this almost guaranteeing that any blood-carried infections will spread. This means that the doctors can get away with using less medicine per patients.

Food for prisoners

The food provided by prison official essentially consists of fish paste. A small piece of beef, pork or fish are provided once a week. This is half the amount stipulated in the prison manual.

All prisoners receive two meals, one in the morning and another in the evening. In the morning, the meal is rice, pea curry, and fish paste, and in the evening rice, Talapaw (vegetable soup) and fish paste.

The rice given to prisoners is the lowest quality available in Burma. The pea curry consists of a few yellow peas boiled in a large volume of water. Almost all the peas from curry have already been removed by the head prisoners by the time mealtime arrives. This leaves only pea-water for the other prisoners. Talapaw curry: a small amount of various unwashed vegetables are put into a large urn, and then boiled with too much water. The soup always contains foreign matter such as small insects, leeches, sand and some very tiny pieces of stone. Prison officials usually keep back the good parts of the meat in order to sell it to prisoners. For example, when given fried fish, prisoners are provided only with the heads and tails. Prison officers never use all the allowance money when they buy foodstocks, keeping it instead for themselves.

But if a prisoner has some hidden money, he can buy pea-soup and meat or get it in exchange for his clothes. The majority of prisoners are underfed and hungry.

Bathing

Bathing is allowed once a day, and clothes may be washed once a week. The size of the water-trough is about 25m by 6m and is divided into two parts. The small part, about 6 m long, contains drinking water.

However, the prisoners appointed to the authoritarian body can use as much of this water as they like for bathing.

Ordinary prisoners are allowed to bathe at the large section of another trough. At bathing time, 5O prisoners line up on each side of the trough and fetch water for bathing. The order in which prisoner must line up is decided by the appointed authoritarian prisoners. If the prisoners do not wash in time, they are beaten with hard bamboo sticks. (The prisoners must wash as if in a military parade; they are given an order to scoop out water, and must all do so in unison). The prisoners are allowed to use only shallow dinner platers to scoop water for bathing. They can use no more than ten plates of water each. Because of the small amount of water provided, most prisoners suffer scabies and other skin diseases associated with poor sanitation.

Visiting rights

According to the prison manual, prisoners have the right to meet family members and to receive food and other items. But the rules for political and criminal prisoners are different.

Criminal prisoners are usually permitted to meet family members once a week, and more than two family members are allowed at a time, if they want. Unlike political prisoners the visitors are merely required to show their identities and they can meet the inmates immediately.

For political prisoners, the rules are strictly enforced, according to the prison manual. Visitors must be close family members of the prisoner, and need to show a family list recognized by the government. Visitors are only allowed to spend 10 minutes with a prisoner.

Before the meeting, prison officials repeatedly search all items brought by the visitors. The political prisoners are also checked and searched at least five times before they can meet their relatives.

Conversation is limited to family matters as prison warders remain beside the prisoners, watching and listening to everything they say. If they talk about politics or the miserable conditions inside the prison, the prisoner will be punished later and his visitation rights withdrawn. In the meeting room, political prisoners from different halls are not allowed to greet or speak with each other or with family members of other political prisoners.

Items for prisoners such as food, soap, toothpaste, cheroots, blankets, sandals, etc must first be given to the warders, who traditionally confiscate any items that they want themselves. Furthermore, reading materials are strictly censored by the prison officials.

Punishment in prison

There are different kinds of punishment in prison. Prisoners are taken to solitary confinement, beaten, their visitation rights cancelled, or transferred to another cellblock. Prisoners in solitary confinement are given no blankets or mats and have to sleep on the bare concrete floor. They are locked in a tiny cell during this period and have no chance to wash.

Further, a 45 to 60 cm-long iron rod is placed horizontally between the shackled legs of the solitary prisoners, forcing them to stand permanently with legs astride.

Normally small chamber pots and urine pots are put in each tiny cell. These pots are not emptied, so the cell gets wet, dirty and smells offensively within a short period. Food is slid in form outside the cell.

Everyday, the prisoner is taken out of the cell, forced to stand in standard position and beaten.

However, there is a worse type of solitary confinement.

A prisoner has to stand with both arms tied above the head. The prisoner has to defecate and urinate while standing. The authority feed them no rice but give them only glue made from rice.

To administering beatings, the prison officials and wardens use leather-coated pipes, wooden sticks, and rods made from three interlaced pieces of cane, or a solid bamboo stick about one meter in length and a hard plastic water pipe. When the authorities beat the prisoners, they do not avoid any part of the body.

They routinely kick the chest, abdomen, face, and back with military boots. They also jump on the backs of the prisoners who are crawling along the ground. Prisoners being beaten are often made to stand and embrace a post while both hands are held firmly by another person. They are also beaten lying prone on the ground; standing with both legs chained; while being forced to crawl along the ground; while shackled to a long iron bar so that their legs are splayed. There is also a method used to break the morale of a prisoner which involves the warden asking: "Are you afraid? The prisoner must reply: "I am afraid of you shint."

Shint is a Burmese suffix used for politeness by female speakers; it is never used by male speakers.

"Some prisoners refuse to talk to the officers in this way, like a woman. In this case they are beaten continuously until they comply. Some prisoners are beaten unconscious because they refuse to answer with shint. Some are beaten again when they recover consciousness. Finally some prisoners can no longer stand the suffering and knock themselves unconscious on the stone wall. When prisoners get fractured skulls or severe bleeding, they are finally sent to hospital.

If they moan because of pain, they are beaten again and accused of being noisy.

Because of such abuses, some prisoners suffer gangrene and some sustain total paralysis, including Zarni, an NLD [National League for Democracy] member and Kyaw Thu.

Prisoners who do not want to be sent to hard labor camp have to bribe higher officials. Most prisoners who cannot afford the bribe are sent to Kyauk Gyi labor camp. In 1991 there was an outbreak of gastrointestinal disease in that camp, but no medication was provided and dozens of prisoners died. The dead bodies were buried in a mass grave on the spot.

Win Naing U also witnessed and experienced prison officials encouraging criminals to provoke and threaten political prisoners. Senior criminal prisoners create misunderstanding, spread rumors, and give false reports about political prisoners to prison officials.

Whenever there was a fight or confrontation between criminals and political prisoners, the authorities and wardens are slow to intervene. During Win Naing U's term, seven attempts on the life of political prisoners were made by criminal prisoners.

"There is abundance of lethal weapons, and lack of proper punishment, furthermore, the prison officials encourage the activities of the senior prisoners and gangsters," Win Naing U said.

Win Naing U, himself faced serious danger when one criminal, Soe Myat, tried to kill him. Soe Myat had been promised by the prison authorities he would be given protection if he killed the former student.

But the conspiracy leaked out and political prisoners made it known they would riot if Win Naing U was killed. Finally, Win Naing U was transferred to Tha Yet prison.

Political prisoners are usually defenseless in prisons against all possible dangers. Prison officials claim that political prisoners don't exist. Apart from personal security, there is also homsexual abuse. The younger prisoners are especially prone to sexual abuse. The prison authorities turn a blind eye to such cases and the victims also keep quite because they are ashamed and afraid of being killed.

The report also mentioned about the possibility of getting or buying various kinds of drugs in the prison, for instance, raw opium, heroin, concentrated opium oil, marijuana, and diazepam, etc. It claimed that the main source of drugs in the prison is the prison authorities themselves.

Monk prisoners

Many monks have been arrested for their participation in the pro-democracy movement since 1988. It is estimated that there are nearly 200 Buddhist monks in Insein prison alone. U Zawtika, a famous monk from Shwe Phone Pwint monastery, died in prison in December 1992.

The monks in Insein prison participated in a Patta Nikujjana Kan against the government and were accused of being fake Buddhist monks and were arrested by the military regime. They had received heavy sentences.

The monks have asked to wear robes in prison, but the prison authorities disrobed the monks and forced them to wear prison uniforms. In addition, the monks are not referred to by their monk names, only ordinary names.

When the prison authorities call them, they do not use the word U which is a respectful prefix to a name.

The monk Meggin Sayadaw is more than 70 years old, but the warden calls him, "Hey Shwe Tha Aye" in a very disrespectful way.

The monks in prison have nevertheless attempted to live in accordance with the traditional principles of being a Buddhist monk and they do not eat dinner and early morning meals are not provided. This means that they can eat one meal a day (lunch).

The monks are not allowed to preach the Buddhist Dharma and the prisoners are also not allowed to pay obeisance to monks.

Brunei, Malaysia & Singapore

Malaysia

Malaysian Prime Minister: EU Should Raise Issues at Relevant Fora

BK0308142596 Kuala Lumpur THE STAR in English 3 Aug 96

[Report by Paul Gabriel — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Datuk Sri Dr. Mahathir Mohamed said the European Union should restrict itself to raising non-trade issues at the relevant fora.

The Prime Minister said there were many platforms such as the International Labour Organisation and the United Nations Human Rights Commission which meet to discuss labour and human rights issues.

Furthermore, he said the 15 members of the union were not always unanimous in their views.

"There are some members who still think in terms of a very closed Europe.

"Also there is this worry about linkages between trade and non- trade issues...if you don't behave yourself the big stick (of sanctions) will be used," he told a joint press conference with Austrian Federal Chancellor Dr. Franz Vranitzky at the Sultan Abdul Aziz Shah airport before the latter's departure.

Dr. Mahathir was asked by an Austrian journalist for his views on the integration of Europe, commonly referred to as "Fortress Europe."

He was also asked to comment on Dr. Vranitzky's views that social issues should be discussed at the World Trade Organisation's conference in Singapore this December in a "non-confrontational" way.

Dr. Mahathir said Malaysia was all for the peaceful settlement of problems.

Earlier, in winding up Dr. Vranitzky's four-day official visit, the Prime Minister said mutual co-operation had been discussed and concrete proposals agreed upon.

He also thanked Dr. Vranitzky for the invitation to visit Austria.

Dr. Vranitzky, who led a 25-member delegation which comprised senior officials, described his visit as highly successful.

"Austria is very pleased with its good relations with Malaysia."

A joint statement issued by Wisma Putra [Ministry of Foreign Affairs] and the Austrian Embassy said that Austria would grant 500,000 Austrian schillings (RM [Malaysian ringgits] 133,500) for scholarships and research projects to Malaysian experts in sustainable forestry.

Malaysia: Austrian Chancellor Vranitzky Ends State Visit

BK0208122996 Kuala Lumpur Voice of Malaysia in English 0800 GMT 2 Aug 96

[FBIS Transcribed Excerpt] Malaysia and Austria have agreed to improve bilateral economic cooperation via promoting trade in both directions, mutual investments, and creation of joint ventures in tourism market initiatives. The statement was issued at the end of the four-day official visit of Austrian Chancellor Dr. Franz Vranitzky. He said Austria will invite Malaysian experts to study the [word indistinct] system of vocational education in the country. The Austrian Government will also invite Malaysians to study hydroelectric power generation. [passage omitted]

The Austrian Government has offered a grant of 500,000 Austrian schillings for scholarships in Austria in the field of sustainable forest.

The Austrian chancellor left for home today. He was seen off at the Sultan Abdul Aziz Shah International Airport by Prime Minister Datuk Sri Dr. Mahathir Mohamed.

Malaysia: Fiji's Rabuka Arrives for Official Visit 4 Aug

BK0508110696 Kuala Lumpur BERITA HARIAN in Malay 5 Aug 96 p 2

[Unattributed report]

[FBIS Translated Text] Subang, Sunday — Fijian Prime Minister Sitiveni L. Rabuka arrived at the Sultan Abdul Aziz Shah International Airport here today to begin a three-day official visit to strengthen ties.

Foreign Minister Datuk Abdullah Ahmad Badawi, his wife Datin Endon Datuk Mahmud, and Haji Idris Jusoh, the deputy minister for entrepreneur development, were at the airport to welcome Rabuka and his wife who arrived at 6.55 pm.

Rabuka is scheduled to have an audience with the Yang Dipertuan Agung [Paramount Ruler] Tuanku Ja'afar at the state palace tomorrow.

He is also scheduled to meet Prime Minister Datuk Sri Dr. Mahathir Mohamed later in the afternoon.

Malaysia: Minister Cites Copyright Infringement Cases

BK0508111096 Kuala Lumpur Voice of Malaysia in English 0800 GMT 5 Aug 96

[FBIS Transcribed Text] Copyrights infringement in Malaysia remained serious, with 229 cases brought to court in the first half of this year.

Domestic Trade and Consumer Affairs Minister Datuk Abu Hassan Omar said his ministry's enforcement division prosecuted 491 copyrights infringement cases last year and 633 cases in 1994. The total fines collected was 112,995 ringgit in 1994, 2.5 million ringgit last year, and 881,970 ringgit in the first six months on 1996.

He said it is the duty of all parties concerned, not only to prevent the infringement but also to deter further infringement.

He said this today when opening a forum on intellectual properties (?pillaging) in Kuala Lumpur.

Malaysia: Submarine Cable System Put Into Operation

BK0308131596 Kuala Lumpur THE STAR in English 2 Aug 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — NEC [National Electricity Company] Corp yesterday announced the successful operation of its large-capacity loop-type optical submarine cable system, the first in the world, supplied to Telekom Malaysia Bhd [Malaysian Telecommunications Company].

The cable system employs the more sophisticated five Gbit/s (Gigabits per second) Optical Amplifier system and has a capacity of about 60,000 telephone lines.

Total project value, including production of the cable and systems, and training was 31 billion yen (RM [Malaysian ringgit] 712.928 million), NEC said in a statement in Kuala Lumpur.

NEC completed the 2,400 km south route submarine cable system (Mersing-Kuching-Labuan-Miri-Kota Kinabalu) in July last year.

With the completion of the 1,800 km north route (Mersing-Kuantan-Kota Kinabalu), one of the world's most significant and reliable loop-type submarine cables had been constructed, it said.

NEC claimed that with its loop-type system, using the most advanced self-restoration technology, securing a backup was no longer a problem.

Malaysia: Chief of Armed Forces Receives Singapore Army Chief

BK0208144496 Kuala Lumpur TM Television Network 1 in Malay 1200 GMT 2 Aug 96

[FBIS Translated Text] Major General Han Eng Juan, chief of the Army of the Singapore Armed Forces, paid a courtesy call today on Armed Forces Chief General Tan Sri Ismail Haji Omar at the latter's office in Kuala Lumpur. Maj. Gen. Han Eng Juan had earlier inspected an honor guard at the Padang Pegawai parade field.

His visit to Malaysia is at the invitation of the Malaysian Army to foster closer bilateral ties between the two countries. The visit is also aimed at discussing current issues, including joint military exercises.

Singapore

Singapore: Austria's Vranitzky Holds News Conference

BK0408131296 Singapore THE STRAITS TIMES in English 4 Aug 96

[Report by Edward Tang — received via Internet]

[FBIS Transcribed Text] Austria and Singapore, both strategic gateways in their respective regions, should combine their strengths to pursue opportunities in third markets, said Austrian Chancellor Franz Vranitzky yesterday.

"Gateways...springboards, these are all catchwords but not just catchwords. We really believe in the relevance of these expressions," he told a press conference.

He said that he and Prime Minister Goh Chok Tong agreed at their meeting on Friday that the two countries could work as a "springboard" for each other in reaching the markets of their respective regions.

"Both are small, free-trading nations, both are centres of important regions and regional associations or integration models," he said, adding that the two countries should combine their strengths in penetrating the markets of emerging economies in eastern Europe, China, India, Vietnam and Indonesia.

Singapore is a member of the seven-nation ASEAN and the 18-member Asia-Pacific Economic Cooperation forum while Austria joined the 15-member European Union last year.

Dr Vranitzky and Mr Goh were among 25 leaders of Asian and European countries who attended the first Asia-Europe Meeting in Bangkok this year.

The Austrian leader said potential areas of cooperation in third countries included power supply, transportation infrastructure, environmental protection.

He said he had proposed to Mr Goh to send a team of experts to Austria to work jointly with an Austrian team in exploring selective east European markets.

Dr Vranitzky said his visit, the first visit by an Austrian chancellor here, was a signal of his country's determination to develop relations with countries in South-east Asia. He was in Malaysia before arriving here.

Accompanying him were Finance Minister Viktor Klima, Health and Consumer Protection Minister Christa Krammer and representatives of 35 Austrian companies, who held separate meetings with their Singapore counterparts. Bilateral relations, described as "excellent" by the Chancellor, have been boosted by the presence of about 40 Austrian companies here with about 200 others having established permanent business ties with Singapore companies.

Dr Vranitzky yesterday officiated at the opening ceremony of Bank Austria, the country's largest commercial bank. He said an Austrian company had submitted a proposal to Singapore to supply trains for the Woodlands and North-east MRT [Mass Rapid Transit] projects.

He met Senior Minister Lee Kuan Yew during the day. He leaves today for Austria.

Singapore: Editorial Views Sanctions on Burma

BK0508092496 Singapore THE STRAITS TIMES in English 2 Aug 96 p 44

[Editorial: "Sanctions Won't Hit the Target"]

[FBIS Transcribed Text] While the United States Senate is to be commended for rejecting sanctions on Myanmar [Burma] and settling instead for a compromise, questions about the propriety and consequences of using sanctions to force political change remain unanswered. The original version called for all US aid and investment to be banned until an elected government took over in Myanmar. In the amended version, supported by the White House, sanctions will be imposed if the ruling State Law and Order Restoration Council (SLORC) harms, re-arrests for political acts or exiles Aung San Suu Kyi, the leader of the opposition National League for Democracy (NLD). Major repression or violence against her followers, too, could trigger sanctions and oblige the US to work with other countries in pushing for democracy and human rights in Myanmar. As expected, its dissident groups are disappointed with the compromise, which falls short of the measures demanded by the NLD leader to pressure the government into a dialogue on political reform. However, the threat of sanctions does send a signal to Yangon [Rangoon] that Washington is watching events there closely.

Though signalling concern is legitimate, what remains as more substantive an issue is whether sanctions, imposed or threatened, are the best way to go about doing so. There is the question of propriety. Any measure that is used by a foreign power or powers to bring about political change in a country grates on the idea of national sovereignty which everybody swears by. That is all the more so when the measure is undertaken to propitiate lobbies or balance political forces; it then becomes a case of domestic politics influencing foreign policy. Using trade and investment as leverage is even more unacceptable, because this puts economic muscle in the service of political objectives. The mechanism is also unfair since, as is often the case, the target is economically weaker and therefore in no position to respond. Indeed, sanctions inflict economic misery on the very people whose political rights they seek to uphold. While the leadership whose removal they demand may (or may not) capitulate in the face of the economic and social crisis caused by the rupture of the country's international links, leaders are far less likely to suffer than the man in the street, whose livelihood depends directly or indirectly on those links.

Myanmar is a good example of all these forces at work. From the junta's handling of dissent to unconfirmed reports of slave labor being used in public works, there are genuine grounds for concern. But sanctions would merely escalate the situation without offering any realistic solutions. Slorc is in effective control of the country; should protesters, emboldened by international moves, take to the streets to try and overthrow it, there is no doubt that the response would be swift. There is an international element as well at work in this. A junta squeezed by sanctions would not respond by resigning itself to its fate. It would look elsewhere for economic and political sustenance. It is difficult to see Myanmar not wanting to deepen its links with China, which are already strong. Yangon's strategy, if successful, would affect not only its domestic politics but also have ramifications for the region. The development would touch on far more than the policy goals embodied in the use or threat of sanctions to bring about political change.

Having said this, and having reiterated reservations about the method adopted, it remains a fact that the US Senate has sent a clear signal to SLORC. It should not be ignored. Myanmar is making economic progress after decades of neglect, the result of its having jettisoned the Burmese way to socialism. But challenges remain. Economic development must continue to be at the top of the national agenda. This is not to say that political emancipation is unimportant. Peaceful political dialogue is the only sustainable solution, and it will require an effort by both the government and the NLD. These are matters for the people of Myanmar to decide; outsiders can only wish them well.

Singapore: Burma Issue 'Overshadowed' PRC Paracel Claim at ARF

BK0508083596 Singapore BUSINESS TIMES in English 2 Aug 96 p 11

[Editorial: "ASEAN and China's Paracels Claim"]

[FBIS Transcribed Text] The decision of the European Union and the United States to confront Myanmar [Burma] at the ASEAN Regional Forum last week overshadowed another important issue for the host nations — China's latest claim of sovereignty over the Paracel islands.

Indeed, the Myanmar issue may have been a convenient diversion for China, which was expecting flak over its stand on the Paracels. Asean is deeply concerned by Beijing's latest claim. The US and Japan have been watching worriedly from the sidelines. China has unilaterally justified the claim with new territorial baselines which is as confusing as it is controversial. Two ASEAN members, the Philippines and Vietnam, have already lodged protests over the claim. And just before the ARF started last week, a third member, Indonesia, disclosed that it had sent an aide memoire to China requesting a detailed explanation for the legal basis of its claim.

The differences between Beijing and ASEAN could have — and should have been properly ventilated at the forum. Unfortunately, this did not happen. The Western preoccupation with the Myanmar question overshadowed everything. And by the time the ARF ended, ASEAN's concerns remained sidelined. There was nothing much that it could hold on to by way of assurance, save for a Chinese agreement to continue talking about the issue. When asked why there was still no official response to Indonesia's aide memoire, a Chinese spokesman simply said that no reply was necessary as none was sought.

Clearly, the tension in the South China Sea that began with competing claims over the Spratlys will remain one of the region's most troubling security issues. Unless a regional code of conduct is in place to contain and manage disputes — something which ASEAN wants to put in place — the situation is not going to get any better. The Paracels claim has only made the case for such a code all the more pressing.

Two issues must be tackled if the matter is to be resolved amicably. The first is Beijing's questionable bases to justify its territorial claims. In the latest instance, the baseline rationale has been made in a way that cannot be upheld under internationally accepted sea laws. China's redrawing of its territorial baselines around the Paracels was based on the archipelagic principle. Yet China is not, in any internationally-accepted definition, an archipelagic state. It is a continental one. Why China is claiming to be an archipelagic state now had left ASEAN officials in Jakarta bewildered, though not surprised. For if China succeeds in this new claim without any serious challenge from the regional community — it will be that much easier for Beijing to assert its disputed claim of ownership over the neighboring Spratlys. With Vietnam, Philippines, Malaysia and Brunei also claiming parts of the Spratlys, ASEAN is not about to let that happen.

Conflicting signals [subhead]

The second issue is China's confusing signals — which must stop. The assertion of sovereignty over the Paracels came despite all parties agreeing to refrain from any complicating move pending the settlement of the disputes over the Spratlys. In fact, it was only three months ago that ASEAN officials had expressed satisfaction with China's forthcoming attitude over the Spratlys. Given the conflicting signs from Beijing, the South China Sea cannot but remain a top security concern for ASEAN.

As Foreign Minister Shunmugam Jayakumar stated in Jakarta last week, all territorial disputes should be settled by a scrupulous observation by all parties to internationally-accepted conventions. There is no better way to proceed than to agree to abide by the United Nations Convention on the Law of the Sea. How ASEAN and China settle these territorial claims will be a test not only of the maturity and intentions of the ARF participants, it will also be a litmus of the region's faith in China as a responsible and dependable partner in this region.

Cambodia

Cambodia: Hun Sen Gives Speech on FUNCINPEC 'Tricks'

BK0308110896 Phnom Penh PHNOM PENH POST in English 26 Jul-8 Aug 96 pp 4, 5, 6

["Unofficial translation of the text" of a speech by Cambodian Second Prime Minister Samdech Hun Sen to Ministry of Public Works and Transport personnel in Phnon Penh on 29 June]

[FBIS Transcribed Text] Ladies and Gentlemen, Your Excellencies,

Today is a day full of honor for me that I am able to meet and talk with you for the first time and it is an experience too for our Party which has chosen the Ministry of Public Works, specifically the women, so that we can converse and exchange views before the party enters a new stage with the holding of the extraordinary country-wide representative congress in 1997, and also after recent developments that require us to prepare a new attitude.

On this occasion, I wish to apologize to all the workers, male and female, of the Ministry of Public Works and Transport, in particular the Women's' Association here.

My attention has been grabbed by the report of His Excellency [HE] Tram Iv-toek a moment ago, which raised the issue of the state of insecurity faced by our civil servants, even the scorn directed towards our employees, civil servants and workers who have scarified much for the construction of this country from January 7th (1979) up to the present and yet have been met with contempt.

It is very good, therefore, that today, on this 45th anniversary of the founding of the CPP [Cambodian People's Party], we meet together beginning at the Ministry of Public Works and Transport. I think that before expressing my opinion I want to hear more about certain points from His Excellency Tram Iv-toek, His Excellency Chin Kimsreng or other Excellencies, and the ladies representing the Ministry of Public Works and Transport, as well as women's representatives (of our party).

On the recent issues, we'll just mention them briefly so as to inform and raise questions for discussion, so that today Your Excellencies, ladies and gentlemen representing the Standing Committee of the Party Central Committee, can all take part in striving to identify all measures that we're able to take. And this ability of ours is enormous. From now on, we can no longer use our sincerity as we have hitherto and by which we have made many sacrifices for the sake of national reconciliation, when dealing with this tricky bunch. We have been patient for very many years already, we agreed to do everything so that the nation can enjoy peace and reconciliation. We have done so much, to an extent the world has never seen before; no country has ever done what the CPP did, holding virtually all power, in control of virtually the entire territory, and exchanging that for peace, for national reconciliation, and going so far in being prepared to create favorable conditions that I myself have violated the law.

Our partners have no right to integrate people [into government service] other than the number which was recognized by UNTAC [UN Transitional Authority in Cambodia]. I have done too much already yet they haven't understood us. Finally, since March, we have clearly perceived their real nature.

You know that our Party has just finished its plenum, on the 25th and 26th, and is approaching the 45th anniversary. There, in the Party's declaration, the plenum included a clear and concise statement that "it will strive to protect the position and occupation of our civil servants and according to the Law on the Common Statute [of Civil Servants] and will oppose all threats to remove them from their positions". It is not normal for a political party like ours, which has developed strategy, tactics and political maturity, to say something like that. But we have seen the injustice, the increasing injustice, which has reached a point which the lower levels can no longer tolerate and which the upper levels can no longer tolerate. If so, that doesn't mean we cancel our marriage with them, but we have to oblige them to be straight, in all things to be straight with us. But up to now, we see that we cannot be honest with this tricky bunch, we can be honest only with anyone who is straight with us. We have been too honest already, there's now officials of us who've lost their jobs, the pressure continues, I've reacted many times already but today I want to utilize and combine the forces of the Party, the forces of the trade union, the forces of the women, together with the law in order to struggle against these people.

The Law on the Common Statutes exists already and Articles 139 of the Constitution also states clearly that with any legal regulation, if there is not yet a new legal regulation replacing it, you can't just replace with a new text. As for the case of the Ministry of Public Works and Transport, I'd like to explain as follows .

I'd like to let you know that in 17 years there has never been a Minister of Public Works worse than Ing Kiet. I put it in so many words—there's been no-one worse than Ing Kiet. We had as Minister of Public Works So Khun from the beginning when the Ministry was established, then, Khun Chhi, after Khun Chhi Tie Banh took it over for a time, after that came Ung Phan for a time, and then it was passed on to Ros Chhun.

We reckon that among these, in terms of ability, slightest the worst was Ros Chhun, that is among Khun Chhi, Tie Banh, Ung Phan, Ros Chhun and Say Bori, among these five, we've known that His Excellency Ros Chhun was a little worse than the other but even he was better than Ing Kiet. Better in the sense that if a road, railway or bridge is broken, they would all go there but as for this old guy left over from the French era, he's bad, he's too bad. I say that if there was ministers like Ing Kiet, and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] appointed them, if there was minister like that in every Ministry, Cambodia would be destroyed, finished. They don't consider us as Khmers! Everything they do is for their party. If so, there's no reason for us to keep quiet, no reason for us not to gather the Party's forces to struggle together with the law. But Ing Kiet's ways are very tricky. What ways? At the end of 93 there was a proposal from a FUNCINPEC guy, he was from France or somewhere. This kind of guy, I saw him, as soon as I saw him he asked to be adviser to the director of the port (of Phnom Penh). He sent a letter to His Majesty, asking to be director of the port.

His Majesty sent a letter to the Prime Ministers asking our opinion. Their officials always write to the King, asking to be director. So the King wrote a letter to the Prime Ministers saying that "the Prime Ministers should do whatever they think fit". That Ing Kiet, he immediately gave his opinion that this was possible; Samdech Krompreah (Norodom Ranariddh) signed on one side. When it reached me, I simply put it in a drawer and asked in return if a new director is appointed, where will the old one go and what fault does he have? Since then, quiet, not a word, he hasn't been appointed and Mr. Mon Siphon remains port director. So, that means in my mind that I can act as a defense, can offer protection at the level of a Sub-decree—at my level of competence I can offer protection.

With a number of other ministries, there's been papers with a signature on one side but as for me, I just put them in a drawer. I refuse to sign to rapidly promote certain Office Directors to be General Directors, it's against the law, I just put them in the drawer. Like the case in the Ministry of Information, just because he was father-in-law of Li Thuch, they wanted him to jump from Office Director to General Director. It's illegal, so I simply didn't sign. So I can be obstinate, but I have my reasons for being obstinate in such cases.

It was the same when the inspectorate went to the Ministry of Public Works, regarding the sale of rubber, sale of whatever, in fact there was the annotation of Samdech Krompreah and that of Li Thuch on it. At that time, I pushed for it to be sent to the court and for both Samdech Krompreah and Li Thuch to be summoned, it (went away?) but if it's to defend our ministers, all these things we can bring together. In the bridge and road section, quite where I don't know, that bunch made a memorandum for me that brother Uk Chan was involved in it, but then I found the annotation of Samdech Krompreah ordering both Li Thuch and ?? [question marks as published] to add up their mistakes and blame them on Uk Chan. I said it wasn't fair, wasn't just, and so succeeded in that case too. Later, I learned there had been illegal appointments, I called Ing Kiet and warned him twice. Once was at the CDC [Council for the Development of Cambodia], at Wat Phnom, I said "Look here, Your Excellency, a sub-decree can't be annulled by a decision of a Minister. What Your Excellency did was wrong." He said "No, no Samdech." I heard again (about illegal appointments) during the inauguration of Route 6A, when Samdech Chea Sim went to inaugurate it, I called His Excellency Ing Kiet, "Look out, sir! There's a reaction from the staff of the Ministry of Public Works. Be careful Your Excellency doesn't face demonstrations". "No, Samdech, no, there's nothing."

Okay, now is it true that there isn't? I want to ask His Excellency Tram Iv-toek, how many cases are there where sub-decrees have been annulled. I have good enough grounds. I won't let you (Ing Kiet) do that. March from here in a demonstration and take those officials and put them back in their place, like the Americans putting Aristide back in his place in Haiti. He can do it, it's not illegal, it's very, very right (applause). But the problem lies in whether you will do it or not. I will write a letter telling Ing Kiet that to allow those officials to return to their positions, and then we'll combine that with the movement from below, the march to take those officials and put them back in their places.

If the former State of Cambodia signed Sub-Decree and you want to annul it, there has to be another Sub-Decree, that's the lawful procedure. Now how many cases are there, please answer that point and then leave here and together tell Ing Kiet to reinstate them.

The second point I wanted to ask is officials who were subject to a decision of the Ministry because I wish to inform you that I have difficulties, that's why I need forces from below to protect our people. If they speak about parties, then so will we, and if it's party against party, we're stronger. How many officials at the rank of deputy director of departments and offices have been appointed by the proclamation of that minister (Ing Kiet), have been changed contrary to the Law on the Common Statute (of Civil Servants). We have enough rights, look at this point in the Law on the Common Statute.

(Hun Sen continued with his speech after hearing a response from a ministry official).

Because it was contrary to the Law on the Common Statute, we have adequate rights (to reinstate our people). Look at the Law on the Common Statutes on this point, it is a clear guarantee. If you want to change someone, what you need, what you have to do, it's all there. We can struggle (successfully).

How many cases are there where they acted illegally, where they didn't discuss with us on the basis that they were head of the institution. Now, where you've replaced people without reason, without any fault being committed, and put new people in their place, we will demand that a complete overhaul, all those appointments of yours, by using our forces. There isn't any men (here) yet, only women, but that's enough, that's enough to kick Ing Kiet out of his position. This bunch are as scared as anything, off they flee, off to France, out of here. We have to play this single nationality thing before the next elections, play the dual nationality thing a little strong, and you'll be off. Either you move to Cambodia, or you move to France, so move. We have to play this one, if we don't play it, this bunch won't be broken.

This is the question I'm asking the chairman and deputy chairman of the party cell in the ministry. Can you struggle to bring back our officials who(se rights) were violated by the sub-decrees? Violated not in the sense of violating the workers or the directors of department, but violating the Prime Minister. I wish to tell you, I must use my combined right, I standing behind, in my capacity as Prime Minister, the letters signed by the vice-ministers of the former State of Cambodia, they remain perfectly valid.

Look at Article 139, so how many cases are there relating to Sub- Decrees and how many cases relating to Proclamations which are not right, that we can't accept, so that's why today we meet here because there are some of our sisters here, some sections who don't understand where is this or that place. So we meet here, where the CPP has total sovereignty.

I want to get those reporters out of here, get Reuters to go home, have them all leave, none of them are to stay, keep only those who are close with the CPP. The CPP isn't yet so poor that we have no means to broadcast, we're a super-power in Cambodia too.

If it's only about building a school, running a radio, running a television, we're not that much worse than them. Only we pretended we didn't hear, we didn't see, you had Channel 9 and just cursed us until we retorted (by starting Apsara TV).... [ellipses as published] They saw we weren't serious and so perhaps they wanted to "pull the mustache of the tiger". They tried to build schools but ultimately they just changed the school signboard, changed the name.... You teach me to go around changing the signboard of schools, put on a coat of paint and change the signboard, paint and change the signboard! What sort of nonsense is that! In some places, just take them down, cut them down! Yesterday the people said they received one toilet and the name was changed, that was in S'ang district. Just one toilet and they change the name of the school, whereas for that I build three buildings. They teach a hell of a lot.

So there's no reason for us to put anyone else's name, put your own, you build one, I'll build ten. We're a superpower too when it comes to doing that. But as for fighting, we're not so much (a superpower) but if you want to try, come on! One Royal has been got already, two Royals in fact, '94 one, '95 one. If another one is needed in '96, that can be done too. Oh, you lot, what princes you are! Commoners and Royals, they have equal rights. The King is the only one who's above, who can't be touched but can't be touched only so long as the King abides by the Constitution too. Let's be clear about that. If you don't abide by the Constitution, you're in for it right now! Just like Judge Pao [a famous judge in a popular Chinese film]. No, that's not talking about His Majesty, it's talking about future Kings to come. Because we're still going to live for a long time.

My children I teach too, tell them "Child, if you get involved in state business, abide by the Constitution". We don't oppose the King but please let's just all of us abide by the Constitution. If you don't respect the Constitution, that's not on. We all of us took the oath. So, if one dared to go that far, what's there to be afraid of! The decision to arrest Norodom Sihanouk was not a minor matter. If they dare to threaten our lives, we can't not act against them. If it's other people, at the rank of Hun Sen what can I do to them? Other people, they curse me at will, they say I'm vicious. Well, vicious when necessary and gentle when necessary. We have to be straight with those who are straight with us. I can't embrace my wife when she's insulting me or she'd insult me every day...

(He turned to issues facing CPP women... After hearing the comments of Tram Iv-toek, Chin Kimsreng and Mrs Uk Chan, Hun Sen went on):

On my own and my wife's behalf, I'm pleased to have met to exchange views with male and female workers and leaders at all levels of the ministry, the vast majority of whom are members and supporters of the CPP. Along with the pleasure of having met (with you), I'd like to share the difficulties our officials and employees have faced during these three years.

I have to also accept responsibility for a prolonged inaction on this issue but I never expected that Ing Kiet was cruel or nasty to this extent. Hence why today, the moment demands that the Standing Committee and the Party cell understand the situation in the Ministries clearly so as to set forth solutions in a timely manner. Following the report by Tram Iv-toek and additional explanation by sister Uk Chan, and by the representative of the Women's Association, I'm now clear.

And I think that, as I have just mentioned above, what the central committee put out (in its declaration] a few days ago is very appropriate. It defends the job of our civil servants in conformity with the Law on the Common Statute and it opposes the threat of removal from their positions. It was the threat to remove (our officials) from office is not just a threat, some removals have already been made.

If so, today, at our meeting to resolve this problem, I suggest that the topic for solution should be "the struggle for work efficiency, defending the jobs of civil servants and staff according to the Law on the Common Statute, the law in force opposing violations of the law, and maintaining the original situation prior to the recent decisions. This is the theme I have to raise today.

Now, Ing Kiet has abused not only low-level civil servants but also the law and the Royal Government. He has abused the competency of the Prime Ministers. So, I say how can this be settled? We settle it through two ways. First, it must be resolved according to the law by taking the constitutional principles article 139 combined with the Law on the Common Statute.

The Ministry of Public Works doesn't yet have a new structure and I won't sign on any (proposal for restructuring) right up to 1998. I won't sign. If I refuse to sign, that (the new structure) won't come into effect. Even though they'll try, such as when I was away and they appointed two advisers whom I didn't agree with but while I was absent they appointed them, Samdech Chea Sim signed, but then His Excellency Sok An hid (the letter) away and refused to stamp it. But when I saw that the (appointments) were just for advisers with no decision-making powers at all, I let them have them.

So, I entrust Your Excellencies to go back (to the Ministry) and call Ing Kiet, organize a meeting to reinstall all the old structure (in the ministry). His Excellency Sok An, Her Excellency Ho Non, write an urgent letter to Ing Kiet clearly stating that as there has been no new (lawful) appointments, the structure remains the same and all those officials that have been appointed by sub-decree must return to their old positions as before.

If it's necessary to fight, then we'll have to fight at that point, but I'm not going to use force. This way will succeed, it's enough. Just have the women go and kick Ing Kiet to pieces, that's not different because it's not in the least illegal. Ing Kiet has violated (the rights of) the workers, violated (the rights of) the officials, violated my rights as Prime Minister. If Prince Ranariddh dares to defend (him), I'll have to clash horns with you, regardless if you're a King's son or the First Prime Minister. The first and second Prime Ministers have the same rights but perhaps my effectiveness is more than yours because I have a mechanism. You can order but our people won't listen if you give the wrong order. But if I command, these people will act. That is the difference.

So, why don't we proceed with the legal way for a bit? We're not doing anything wrong. Don't stage a demonstration yet. Demonstrating is also lawful but that's termed the artillery in reserve. If you're not happy, you can get out. I want you to withdraw from the Government. Because you promised that if you couldn't achieve anything, you'll withdraw. So, why up to this hour have you not withdrawn? Remember, Samdech Krompreah declared they "wouldn't be puppet Deputy Prime Ministers any more, won't be puppet ministers, puppet secretaries of state, puppet undersecretaries of state, puppet governors, puppet deputy governors..." So! Now, get out. I'm just waiting for you to get out. Why don't you get out.

So, His Excellency Hok Sin, act as sergeant-major and assist the Party President and Vice-President. Go! All of you go! Just the men is sufficient, the women don't need to go (laughter), wait and lead the women later, separately but on this same issue.

The Posts have been hived off, the Ministry of Posts. That we won't take back yet but the General Department of Construction has to be taken back... However, as for anything relating to departments of personnel, finance, planning and things like that— go, go, take back our bureaus and sit in them as before, before there was any (Ministerial) decision. Department chiefs, do you dare to go and sit (in your former places)? Department chiefs who've lost their positions, go and sit down, and then together enter each place once again. Go and take back our keys, just as the Americans sent Aristide back to take his position as President in Haiti. Now, newspapers can publish that Hun Sen is requesting that the law be implemented; he's not inciting any unrest. Go back! Go, enter, enter.

But I don't understand with regard to the case in inspection which, sister, the women's head raised earlier and the case of finance, whether there was a letter of transfer from one ministry to another or not. That's a bit difficult. It there isn't yet, go back to your original place. If there's not yet a letter from there—but if there is already a letter transferring from one Ministry to another... but if it's one ministry and another ministry then there has to be a sub-decree of the Prime Ministers because it's at the level of department. So, please all go back! Go! Go! Return to your old places. If Ing Kiet is not happy, he can withdraw and if Ranariddh is not happy, you can just withdraw as you promised. I'll say it now, if you don't walk out you're chhke sot (a real dog) (applause). I've prepared everything already, prepared three statements.

One statement will come out half an hour after Ranariddh's announcement. Hun Sen will declare that he "will carry on the continuity of the Royal Government". Half an hour after that, there'll be a statement by the neutral forces of Funcinpec, who will join with the CPP in carrying on the continuity of the Royal Government. Half an hour later, I will rise again to declare an assurance for the continuity of the neutral forces, guarantee protection for the neutral forces. After that, a number of parties (will do the same). All the statements are already in my hand, to be broadcast on radio and TV. You go ahead and walk out. Go on! Walk out if you don't agree. I'm only afraid that you won't, you know. Afraid that you'll stay and just wait to sign (contracts) and collect the commissions. If you're brave, walk out.

Now go and do it, do it until victory. The law makes us win already, there's no way we can lose. Ing Kiet has to collapse, Ing Kiet has vomited blood twice already, once at the CDC and another at Road 6A. Ing Kiet said 'No, there is no such a thing Samdech'. That was a pure lie. He thought these pagoda boys were really inferior but I say the one who's really inferior is Ing Kiet himself. In 17 years of Ministers of Public Works, he knows absolutely nothing. So, if they play that game, we're not afraid.

Now I ask can you do it? Can you? Go back and do your work again. Apsara TV broadcast that any officials that used to be in departments under the former State of Cambodia should return to their old position. Can you do that (he asked Apsara's TV crew) or you dare not? If you dare not, how can I help provide protection. I help only when it comes to the law, I can only help to that extent, because, when it comes to the law, I have adequate grounds to help provide protection. What, are you afraid you won't win or what? Thousands of people like this! You can win! Because the force of a Sub-Decree can't be changed. If Ing Kiet dares to take the risk, Ing Kiet will only be more and more wrong. The higher you jump, the harder you fall. Let him sit and pass wind for a bit first. And when Ing Kiet orders us to do something, don't do it, don't follow his order, listen to Tram Iv-toek, but Tram Iv-toek must manage things meticulously. All the department chiefs who are still on the job are already on our side. Now, just have the department chiefs who they made to leave return and sit down in your places once again, that's enough (for the moment). Reorganize that and then tell His Excellency Keat Chhon that when HE Tram Iv-toek goes to sign for money, Keat Chhon should let him sign. Leave Ing Kiet for a while because you (Ing Kiet) violated the law. Make him crippled in one leg. You abused the law to that extent, I don't complaint to the court, that's restraint enough.

I'm only afraid that they won't walk out. With the law being broken like this, what's the point of us sitting here any longer?

It is time for us to act. We have no reason to topple any one but they did not just abuse the low-level (workers) but the law itself... Can you do it, brother (Chin Kimsreng)? Those department chiefs, do they dare go back and sit on their seats? What about our staff who are still there?

As for the others, pick up a broom and beat and chase them out, those people who came unlawfully. France, the US, whatever (they're from), be strong and chase them out—there's not (Ministerial) decision yet, so chase them out. Together go and chase them out! They came and were appointed as whatever, violating my right. Now, the press, go and write one sentence: Prime Minister Hun Sen requests that the workers protect his rights, because it is his right as a Prime Minister to sign sub-decrees. They took Ministerial decisions to annul a sub-decree. So the Prime Minister defends the workers and the workers defend the Prime Minister. We can do that. Do that first, don't make any demonstrations yet. Do only that, I'm only afraid that you won't dare to.

See, we put ourselves forward as the CPP and as the people implementing the law and Sok An, brother Ho Non, Hok Langdi, Ke Kimyan stand behind me. Dit Munti, Ho Non, Sok An look into the legal means, if they resist—handcuff, here's Hok Langdi. There is no difficulty in removing privilege from these people.

It's time for us to use all the forces in order to protect these people (of CPP), job, social achievements. That is why I think that we must act. I ask can all the women here to support this? (applause)

[FBIS Transcribed Text] It would be difficult to do if we don't support each other but on this issue I have adequate legal grounds on which to act. Quickly draft my letter to Ing Kiet and send it to Samdech Krompreah, the National Assembly and the chairmen of the parliamentary commissions, the Chairman of the Legislative Commission as quickly as possible. And that human rights bunch. Where's human rights, what else can you protect when the rights (of workers and PM [prime minister]) have been abused like this and what are you protecting? Send it! And in the human rights (commission), there's our people too. If they violate to this extent, abuse to this extent, we can't do anything, it's too unjust.

I say that the law appointing the Royal Government exists already so any sub-decree which doesn't have joint agreement, don't sign. Delay things to the elections, now it's '96, close your eyes and open them, it's '98 arrived already. And '98 we'll win, we'll definitely win, there's no letting a-UNTAC, a-foreigners to hold the ballot boxes this time. If you don't agree, I won't vote. I vote only within the sovereignty of our Cambodia. But if you create any crisis, time is on our side because I'm just 44 years old and will not die that soon. Whereas some are old and have prepared passports already. Some have already gone, some are preparing their passports.

As a human being, who can live for two hundred years? I'm just 44 years old.

Let's speak a little strongly. Whoever wants to broadcast this, feel free, there's nothing left (to hide).

I've survived one attempt to assassinate me, they wanted to kill me, I don't know what offense can be more serious than them trying to kill me. Being angry still isn't equal to wanting to a-them trying to kill me. I can't be bothered now, it depends on the people supporting us or not. Now it's sufficient, sufficient for the people to see and understand.

The January 7th has been revived now and we all are the January 7th (people), so there's no problem, let's help protect each other. And those who go and associate with them (Funcinpec), don't hope to receive appointments, I won't sign them. I tell you in advance.

As for hanging around in order to get high rank, don't adopt their tricks. Now, their trick—after we issued the communique— their trick is to begin from the bottom to the top, from the bottom to the top, and it's Ing Kiet who's started playing that game first of all. They are slowly organizing in the Ministries, pushing from the bottom to the top. There's never been a division of party quotas within the administration. We refuse. And they are currently abusing our political rights for the mere reason that we join the CPP, they want to chase us out but they can't. Now they even want to expel Funcinpec (members) who refuse to follow Funcinpec, if someone joins us, they want to chase them out but we refuse.

Even if it comes to fighting over this, so be it.

We announced like this in the plenum that we protect the jobs of both our and Funcinpec officials. Just because Funcinpec officials refused to follow their bosses at the time of their congress because their congress was wrong! Now we defend Funcinpec members who refuse to follow their boss, especially in the army, police and administration. Look carefully before there is any proposal for removal.

I only ask for this—don't commit any criminal offense, if there is criminal or economic offense, I am not able to protect.

If it is a political mistake, it's a different thing—we can protect them because as a political right I can be with this or that party. Funcinpec members who quit their party to join us, we must also defend them. UNTAC was very afraid of that, it was afraid that officials would join this or that party and that we'd expel them. It's not necessary to do that, do things quietly, do things slowly, but shout so they hear, shout so they can hear like we shouted this morning. Leaders of our party shouldn't be submissive with them (Funcinpec). From the negotiations with His Majesty in France it was only when he became the chairman of the SNC [Supreme National Council] and King, that did we become supportive—supportive on rightful matters but not the wrongful ones...

Now, we have to use the movement at the top withstanding them and supported by the movement at the bottom. In my letter, it must be stated clearly, as long as there is no approval of a new structure, the old structure must be maintained. Officials appointed by sub-decrees must stay in their positions. Any official appointed by (Ministerial) proclamation or decision and who has the rank of chief of department, general director or chief of general direction, even if they're working, they have no (legal) value".

Write it like this and send it to Ing Kiet and send it to Samdech Krompreah and the National Assembly. Then we'll go together with the letter to the office, to the department and do what you used to do. (If) Ing Kiet is not happy, he's cordially invited to leave. I'm only afraid you (the workers) won't go.

(Hun Sen goes on to talk about bidding and kick-backs in the process of bidding).

I never imagined that these people (in Funcinpec) were corrupt to this extent.

We in Cambodia—remember the time when we walked barefoot, rode on bicycle, moto-dup [motorcycle taxi] and so on. Only in 1990 did the Prime Minister have a Toyota Crown to ride in. We economized to an point that when going abroad we dared book only economy class. For first class, only if the Russians paid for it did we dare to fly in first. But if we flew using our own money, we sat at the back to save money.

But now it's not like this. I never imagined that, after just over two years, that they'd be rich to the point of buying airplanes, changing cars like clothes.

For us, after 17 years, some are still riding in second-hand cars. But we are proud of having truly served the people. If we hadn't tried that hard, we wouldn't have become what we are today. The more you want to forget my achievements, the more you make me speak about it. That is why most recently, wherever I go I remind people. From zero to... We started with empty hands.

(He talks about strengthening of woman's union and the role of women, etc., within the CPP)...

Now our party has consolidated itself strongly enough to do everything. And we don't allow there to be any violation of the Constitution the laws and civil rights.

1993 we seemed to sleep and let them hit us, in '94 we woke up a bit, in '95 we got up, and '96 we are up and running. We try to do everything to turn our party to a solid one in guaranteeing social and political stability and a political party which does, more than any other, everything for the people like schools, dikes, irrigation system, roads, human resources.

My concern now is don't rush into using the movement of the masses, use only the leaders to go and reorganize the situation as it was before. Only don't enter that minister's bureau. If we know how to act, no one will give a glance when that minister passes by. All the people (in the ministry) are ours. If you (Ing Kiet) want to use your people, go ahead, order all a-five, a-ten of them. And if those ten people try to order the departments or the provinces, they'll fail. Don't listen to their orders. What's important for us is that we don't leave this meeting and then allow them to divide us. When (Tram Iv)-Toek commands and you don't listen but you do when Ing Kiet commands, be careful that they won't use us to kill each other. Now they're using that trick, they use to fight each other, that just means we'd be betraying ourselves.

(He appeals to all members to continue working with the party)

I do not appeal to you to act illegally but for members' participation in order to implement our laws. Don't worry, our party is everywhere: among farmers, workers, students, in every place, every area. And within the armed forces there's nothing to worry about either. We don't want to fight but if they want to we don't have any choice. We would have to face that horrible situation. But it would be better if it didn't happen. And everything which is excessive in what I've said, it because as well as the hurt felt by the members of the party, our civil servants and workers, I feel that hurt too, which is why today I've spoken not so softly.

I tell Ing Kiet straight, tell our partner in the government, if you don't leave the government, we'll do as we wish and you won't command anything. Now, tell HE Keat Chhon not to allow Ing Kiet to sign for money at whim—our minister of finance, our bank governor must clearly understand this.

One other issue must also be stopped. It is about Ing Kiet transferring authority to Yu Hokkri whenever he's absent. Stop it. Authority is transferred only when no member of the government is in place. But I've been so loose in the past, but now write a letter to Samdech Krompreah, there's to be no more transfers by Ing Kiet. If Tram Iv-toek is there, there's to be no more Yu Hokkri. Tell the Ministry guards not to let Yu Hokkri into the Ministry (of Public Works). Only if both Ing Kiet and Tram Iv-toek are not in the country, will a member of the government be appointed to take charge.

At our Ministry of Finance, we never appointed any representative to fill in for Keat Chhon when Sun Chanthol stays behind. It's only Ing Kiet who's different. So, the idea of this old fox, you could call it lofty but in fact it's too low, worthy of our contempt. So I wish to apologize that at our meeting today, which should have been happy but wasn't, I have unloaded my sorrow, isn't that the case, our workers?

I'm the son of a worker, of a farmer too, so we're the same, there's no need to bow to me, believe me. But if I... one of the women called me comrade, but that will lead them to say we're communists. But in His Majesty's era they used the term "sahachivin" [companion]. As for sahachivin and communists, they're the same, don't say we're communists or not communists, what's important is that who can resolve the problems. The Polish communists won and won the presidential election and the communists in Eastern Europe have all won victory back. Now the communists in Russia have won in the lower house, won in the upper house, and in the first round of voting Gorbachev got only 0.5 per cent, Yeltsin 34 per cent and the communist leader 31 per cent. That's not a coincidence. They don't think about whether to have or don't have the name (communist), they think of who can resolve their problems. Gorbachev campaigned in Siberia and was slapped in the face, a worker slapped him in the face: "It's because of you that I'm unemployed."

Now Ing Kiet, it's because of Ing Kiet that we're unemployed, so why not respond. It's not because of Hun Sen, it's because Ing Kiet didn't respect the law that we've lost our jobs. And we struggle according to all these laws. And tell Ing Kiet to prepare himself to flee to France if he can't cope, get on the plane quickly. But our Party, I as Prime Minister, have also had our rights violated by them. So today, I as one member of the Party, say "go!" Leave here and tell Ing Kiet that I want to put the old structure back in place. "I have been ordered by Samdech Hun Sen to put the original structure back in place because now there's not yet any sub-decree annulling the old one and all the officials appointed by sub-decree must return." That's enough, go back and tell Ing Kiet to permit it. And if they say anything, Hok Langdi and Ke Kimyan are following the situation closely.

Cambodia: Hun Sen Warns Opponents Not To Cause Trouble

BK0308102296 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 2 Aug 96

[Address by Cambodian Second Prime Minister Samdech Hun Sen at the inauguration of a health center in Prek Kak Commune, Stoeng Trang District, Kompong Cham Province, on 2 August — recorded]

[FBIS Translated Excerpt] [passage omitted] It has been reported that signs at some party offices were removed. Today, some FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and CPP [Cambodian People's Party] members are here. Other parties are here, like the party of Grandfather Son Sann, which is represented by his son. You can create as many parties as you like, and you can put up your signs as you like. You are free to do so. We should neither take their signs down nor touch them. They are free to put up as many signs as they want.

The problem, however, does not lie in putting up or not putting up signs but in what you have already done. This is the problem. Putting up signs is no different than displaying a soy sauce trademark. You are free to put up whatever you feel like.

In some areas, while the people have the right to put up CPP signs, they also have the right to remove them if they no longer believe in the party. There are a lot of cases like this. That is why I propose that we avoid trouble. Local authorities at all levels—especially those who are former CPP supporters—should make known publicly that they no longer trust the CPP and need to remove the party's signs if they want to remove CPP signs from the front of their houses; otherwise, this will be turned into so-called political violence or political oppression. [passage omitted]

Any person or businessman is free to remove this party's signs and put up that party's sign. This is their political right. This right, however, should not be used to distort a situation that might be turned into political violence or political oppression. In an interview, some people were said to have been threatened not to watch this or that television. I wish to say that this cannot be true. Television sets are in people's houses. Who can go into the houses? Here is THE CAMBODIA DAILY. You, Your Excellency Dit Munti, can have a look at it, and you—the MP over there—can also read it.

People are free to watch any television or to listen to any radio. It is not forbidden. [passage indistinct] I need to speak in defense of the truth. I am not scared. I should dare to act if I am confronted. You must have strong evidence. You should not just hurl accusations at others. You should not spit the blood in your mouth at others. You must stop holding the blood that you have kept in your mouths since March. You must stop. That is enough. If not, you will be doomed. I wish to warn you! I have no trouble with you, but you have invented things to talk about. You must stop talking now. Do not say anything else. You must work with me; otherwise, there will be no way out.

I come to my home village, which is my strong and especially deep-rooted base. I have been in Cambodia for 17 years, so my roots are very tough and lay deep enough. You cannot beat me just as a joke. I am the son of a poor peasant family, but the poor are very close to me. You can try if you want, but it is better for you not to try. So you should listen carefully today: You should not create too much trouble. [passage omitted]

Cambodia: Columnist Discusses Sihanouk, China, FUNCINPEC

BK0308094296

[FBIS Report] In its 27-28 July issue, ARIYEAKTHOR in Cambodian carries three articles written by the same columnist, Marina, dealing with relations between King Norodom Sihanouk and China, the rejection by the Hun Sen-led delegation to establish an alliance with China during its recent visit to Beijing, and a planned return to Cambodia by Prince Sirivut.

In the first article, entitled "Why Does the King Not Want To Cut Ties With China and Turn to the United States?," the columnist says that following the fall of the Khmer Republic regime in 1975, China did not help then Prince Norodom Sihanouk to regain power, or to escape the Khmer Rouge detention in the Royal Palace. He adds: "The Cambodian people, like international political analysts, constantly wonder why the prince, who is now a king of Cambodia, does not want to cut loose from China and turn to the United States, which is one of the top democratic countries of the world." The columnist concludes by saying that under no circumstances would China abandon the Khmer Rouge and that "the king should rid himself of China. If he does not want to turn to the United States, he should instead choose a major power that adopts a monarchic or pluralistic liberal democratic regime to be Cambodia's close partner.?

In the second article, entitled "Beijing is Disappointed With Samdech Hun Sen," the columnist says China is using the Khmer Rouge and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] as their pawns. The columnist adds that China has always worked toward toppling the Cambodian People's Party [CPP], but that lately it has "changed its mood by inviting the powerful CPP to visit Beijing." China was very disappointed, however, when the CPP refused to sign a pact to ally itself with China. The columnist continues by saying the CPP did not sign the pact because the CPP does not want to become a Chinese puppet, or to see China become a major power in Cambodia and manipulate the CPP. He also says that while Samdech Hun Sen was visiting China, the Khmer Rouge leader Pol Pot, who is believed to be dead, convened "a plenary meeting in Phnum Malai between 15 and 22 July." The objective of the meeting was to set forth "an important goal"; that is to "support FUNCINPEC, which is the Khmer Rouge's ally, in the 1997 local elections and the 1998 general elections." The columnist also claims that during a meeting in Beijing, Hun Sen rebuffed Chinese Premier Li Peng's statement that he had met with Pol Pot. Concluding, the columnist says Samdech Hun Sen's visit to China constitutes "a trade success for the CPP, but a political failure for China."

Marina's last article, "Can the King Request a Second Pardon for Prince Sirivut?," concerns a recent announcement by Prince Norodom Sirivut, who is presently in exile in France, that "he will return to Cambodia's political arena despite the fact that he will be jailed." The columnist says that if the prince does return, Second Prime Minister Samdech Hun Sen may reject the king's request to pardon the prince for the second time, arguing that he has already forgiven the prince once. If this happens the political conflict between the royalist FUNCINPEC and the CPP could grow, perhaps resulting in an armed confrontation. The columnist concludes by saying if the prince's return is actually "a political maneuver concocted by the king and FUNCINPEC to topple Samdech Hun Sen, as claimed by political analysts, this gambit would inevitably fail."

Cambodia: Information Ministry's Attitude Toward Papers Viewed

BK0308131396 Phnom Penh PHNOM PENH POST in English 26 Jul-8 Aug 96 p 9

[Report by Heng Sok Chheng]

[FBIS Transcribed Text] The government is to define the controversial "political stability" and "national security" provisions of the press law and require all newspapers to be officially registered under a new sub-decree.

Human rights workers fear the move will amount to a virtual rewriting of the controversial law, with the government giving itself greater power to close down newspapers than the National Assembly agreed to.

The Ministry of Information has arbitrarily declared that no new newspapers can be established until the sub-decree is finalized.

Once approved, the decree will permit the ministry to refuse to allow newspapers to be published if they are run by unqualified or inexperienced people, according to Minister of Information Ieng Muli.

One human rights observer said the provision would go against the explicit wishes of MPs who voted on the press law.

The law requires newspapers to "submit an application" to "identify" themselves to the ministry, but gives no right for applications to be refused. In an early draft of the law the ministry was allowed to publish a sub-decree governing the "identification" process. MPs, in one of the few substantive changes to the draft, decided to remove that provision.

"The MPs said 'No, we don't think you should be able to do this'," said the human rights' worker. "Now the ministry is doing just that." He suggested the government, particularly in the run up to elections in the next two years, would pick and choose which newspapers it would allow to be published.

Muli denied any intention to restrict the freedom of the press, but said that people who did not have journalism certificates or experience would not be allowed to run papers.

A July 18 statement signed by Muli declared that the ministry would temporarily postpone receiving applications from new newspapers until the sub-decree was in place.

The Minister said the move had been requested by some journalists who considered the press was becoming anarchic in Cambodia, with too many newspapers. The sub-decree would also lay down definitions of "political stability" and "national security", which had also been requested by journalists.

The press law allows newspapers who breach political stability or national security to be suspended, but does not define the terms. Despite strong criticism from some quarters to be put definitions in the law, the government instead told MPs it would define them in a separate sub-decree.

Journalists and human rights workers generally accept the benefit in having the terms defined. However, they said that if the definitions were too tight — virtually any political story could arguably affect political stability, said one journalist — the potential for abuses would be high.

Muli said: "I think it is good because we can answer the journalists' request (as to) what they can write and what they cannot write."

Khieu Kanharit, Secretary of State for the Ministry of Information, said the ministry would soon invite press associations to discuss the draft sub-decree before submitting it to the Council of Ministers for approval.

The League of Cambodian Journalists (LCJ), whose membership includes much of the pro-government press, welcomed the sub-decree.

"I want the sub-decree to state clearly the provisions, because so far national security and political stability has not been clear," said LCJ president Chum Kanal.

"But I want to see it first. If it puts too much pressure on journalists, I will seek changes to it and I believe the ministry will follow us."

The independent Khmer Journalists Association (KJA) was somewhat more concerned about the decree, with president Pin Samkhon saying he feared it was politically motivated.

Cambodia: 'Anti-Royalist' REPUBLIC NEWS Cleared

BK0408080396 Phnom Penh PHNOM PENH POST in English 26 Jul-8 Aug 96 p 9

[Report by Heng Sok Cheng]

[FBIS Transcribed Text] THE anti-royalist newspaper Republic News has been spared official sanction, for now at least, amid hints of divisions within the Ministry of Information and concern from the Royal family.

The Secretary of State for the ministry, Khieu Kanharit, on July 12 officially cleared the newspaper which takes a strong position against King Norodom Sihanouk—to resume publication. One reason cited by Kanharit was the King's public position, most recently expressed in a July 2 communique seeking the freedom of a jailed editor, that clemency be shown to journalists who criticize national leaders.

"I understand the Ministry's principle that it doesn't like to sue newspapers, and that the King said he doesn't (want to) punish journalists," Kanharit told the Post on why a ministry defamation case against Republic News had been dropped.

Kanharit, asked whether he had din?????? with the ministry's initial action against the newspaper, said he had no comment.

Minister of Information Ieng Muli—who signed a suspension order against Republic News in February—confirmed that the paper's publisher, Lim Ratana, would now face no action, saying: "We sued Lim Ratana but now we will let him print again... the King's July 2 message said not to sue journalists so we withdrew (the lawsuit)."

He added that four months had passed since the defamation complaint was filed, and the Municipal Court had suggested it was now too late to pursue the matter.

Muli said Republic News would have to abide by a proposed sub- decree covering newspapers, and could be sued again if it broke the law.

Earlier, Queen Monineat and the King's son, First Prime Minister Prince Norodom Ranariddh, had sought an explanation from Muli on whether the newspaper had the right to continue attacking the King.

Observers suggested their action was at odds with the King's longstanding assertion that journalists who criticize him should not be punished, but Muli and Ranariddh's Cabinet were quick to deny any Royal pressure on the government for Republic News to be sued.

One observer said, in reference to the CPP [Cambodian People's Party], that the newspaper's anti-Monarchy views were likely to be shared by certain politicians.

Republic News, which first appeared on newsstands last year, promotes the memory of Lon Nol, who overthrew Sihanouk and abolished the monarchy in 1970. The newspaper bears a photograph of Lon Nol and the flag of his regime.

The paper's legal saga began on February 12 when Muli ordered Republic News suspended for 30 days—and said any resumption of publication was a matter for the court to decide—in the first such case under the new press law.

The law permits the ministry to suspend papers for 30 days if they are considered to have breached "national security" or "political stability" both terms undefined.

Muli also cited Cambodia's Constitution, which says the King is "inviolable". Lawyers note that the Constitution contains no penalties for the breach of this provision.

On March 3, Government Attorney Kao Bun Hong filed a complaint to the Municipal Court alleging Lim Ratana had defamed and libeled the King, violating the Constitution and "affecting" the monarchy. He sought the permanent closure of Republic News and the fining of its editor.

The defiant Ratana later responded with a counter-suit alleging the ministry had acted unlawfully.

No court order was issued extending the 30-day suspension but the newspaper voluntarily remained silent till June 18, when it burst into print with an edition which included historic photographs of Sihanouk meeting Khmer Rouge leaders.

Muli responded the same day with a request to the Ministry of Interior to confiscate copies of the edition and "warn" Lim Ratana and his newspaper's printer. Interior officials reportedly did not act on the request.

Meanwhile, the League of Cambodian Journalists (LCJ)—whose members include pro-CPP newspapers—entered the fray to mediate between Republic News and the Ministry of Information.

That culminated in a July 2 agreement that the ministry and Republic News would stop suing each other, and the paper would resume publication but would tone down its Royal attacks, according to LCJ president Chum Kanal.

Within days the ministry announced it was dropping its lawsuit, and Khieu Kanharit subsequently gave his permission in writing for the newspaper to resume publication.

Queen Monineat, however, wrote to her daughter Princess Arun Reaksmei asking her to "discreetly" investigate whether the newspaper was allowed to "keep on attacking the King." Ranariddh forwarded the Queen's inquiry to Muli in an "urgent and important" note which sought an explanation.

Li Thuch, Ranariddh's Cabinet chief, said: "It is clear that Prince Ranariddh fully supports the freedom of the press but has requested that the press be professional and responsible and respect Constitutional law concerning the King."

Asked what would happen if the newspaper continued to criticize the King, Thuch said the Ministry of Information's duty was to implement the law.

Muli said the ministry would again warn Ratana and, though a lawsuit was still possible if the editor did not change his ways, preferred to settle the matter by negotiation.

Ratana, meanwhile, was unrepentant, declaring that his newspaper would remain much the same, though he might tone down its writings a little. "I love the Lon Nol regime," he said. "The Republic regime was the regime to first bring democracy to Cambodia. Now I stand on the democratic line... If the King has an idea to take over power, it means that my newspaper is against him".

Opposition to Republic News has centered on its logo—the Lon Nol regime's flag—and its outspokenness against King Sihanouk.

The July 18 edition—the first since its suspension—featured three old photographs on its front-page. The first was of two Khmer Serei (Free Khmer) activists tied to poles before, according to the caption, being killed for being "traitors". The photograph was taken during the then Prince Sihanouk's Sangkum regime in the 1960s. The other photographs were of Sihanouk posing with KR [Khmer Rouge] leaders, including Pol Pot, during a visit to the "liberated zones" of the anti-Lon Nol resistance in the early 1970s.

Ratana said his aim in running the photographs was to recall some of Cambodia's history in a "real" and graphic manner. He said Republic News' content was covered by the Constitutional right to freedom of expression and freedom of press.

Cambodia: Draft Election Law Includes Monitoring Groups

BK0208150696 Phnom Penh PHNOM PENH POST in English 26 Jul-8 Aug 96 p 2

[Report by Chris Fontaine]

[FBIS Transcribed Text] Two Khmer monitoring groups have begun preparations to ensure the results of next year's local elections— the first in almost 30 years—accurately reflect the will of the people.

Evidenced by donors' frequent mention of elections at the Consultative Group meeting in Tokyo two weeks ago, their legitimacy will be a major indicator to the international community of the Royal Government's commitment to a democratic society.

In response, the government has shown a renewed interest in passing the Communal Electoral Law in time for the local, or khum [commune] elections in 1997 and a willingness to work with independent monitors.

"In the draft law they have included us in the electoral process. This is incredible recognition," said Pok Than, chairman of the Coalition for Free and Fair Elections (COFFEL), a monitoring group of Khmer NGOs [Nongovernmental Organizations] that officially organized July 11.

"[Cominister of Interior] Sar Kheng has asked to meet with us, and both Ministers of Interior came to our conference. There was good faith in that."

In an effort to partially fill the role of the 23,000-strong UNTAC [United Nations Transitional Authority in Cambodia] operation in the 1993 national election, COFFEL and the Committee for Free and Fair Elections (COMFREL) will tackle the monumental task of educating the Cambodian electorate, monitoring voter registration and polling stations in over 1,500 khum and observing the final tallying of ballots.

Although the two groups will not have the manpower or military presence of UNTAC, Licadho president and COMFREL organizer Kek Galabru said it is important for Cambodia to show the world it can hold free elections without major United Nations assistance.

"Last time the UN organized everything. We only helped them," said Galabru, who was also a member of Taskforce, COMFREL's 1993 election monitoring predecessor. "Now we have to do everything ourselves. It's like children. We are now old enough to leave our parents and build our own house and family."

Comprised chiefly of the NGOs Licadho, Adhoc and Vigilance, COMFREL is currently considering an election budget to present to international aid organizations interested in funding their efforts. The Cambodian government also has requested monitors and technical assistance from foreign governments to compliment the local monitors.

Eighty percent of COMFREL's budget will be spent on a door-to-door voter education campaign. Although television and radio will also be used, Galabru stressed the importance of grass-roots education.

"If you talk by radio and television it is only one way," she said. "You can only talk to [the voters], and they cannot ask questions."

A printed pamphlet also is planned, along with an effort to educate the police and military on the importance of their neutrality during the elections.

But neutrality can be a tricky business even for COMFREL and COFFEL, especially when people put their trust in election monitors and ask them to help decide who to vote for.

"If voters ask about individual parties, we will tell them to listen carefully to what each party has to say and to decide with their heart," Galabru said.

COMFREL plans to have 3,000 monitors ready for the communal elections, but because the draft Communal Electoral Law has languished in the Ministry of Interior for a year after it was first presented to the co-Prime Ministers, Galabru said they cannot adequately begin a large-scale training effort.

"Our plan is to train our existing staff in the provinces," she said. "As soon as we get the election law we will bring them to Phnom Penh to train them more. Then [the existing staff] will become our trainers."

Bickering between the Prime Ministers [PM's] over power sharing at the district level earlier this year slowed work on the law, according to a Ministry of Interior official, but the desire to show progress and unity in Tokyo has helped renew the PM's interest.

The importance of the elections to donor countries was made clear in their speeches at the Consultative Group meeting.

"We urge the Royal Government of Cambodia to carry out preparations for the two elections as quickly as possible to ensure that the legal framework for them is in place and that they are free and fair," the US delegation said.

The Swedes said both the local and 1998 national elections were "of vital importance", and the British said they trusted the government "will ensure democracy prevails" when they are held.

Both the Australian and Swedish delegations responded positively to requests from the Cambodian government for technical and financial assistance, but did not mention any specific aid packages.

Aid organizations within Phnom Penh also were supportive of the elections, but said it was too early to tell how serious the Cambodian government was in making them free and fair.

"The whole thing is still taking shape," said Frank Huffman, a US embassy official. "The ambassador is reluctant to say 'we are going to do this,' or 'we are going to do that,' until he has a better idea what the situation is."

The wording of the Communal Electoral Law should be enough to confirm or dispel the reasons behind donors' hesitations. The Ministry of Interior official said the law could be sent to the Council of Ministers as early as next month, and the National Assembly could ratify it by the end of the year.

Main issues still being ironed out in the law are procedures that will ensure all Cambodians are fairly registered and feel free to vote, and that ballots will be accurately counted. Central to these issues is the planned Communal Election Commission.

In charge of printing ballots and maintaining the polling stations, the commission is presently expected to consist of between five and seven members including: an official from the Cambodian Bar Association, a local NGO representative and a nonvoting international consultant. It will be chaired by the co-Ministers of Interior.

Pok Than expressed concern about the extent of power that will be given to the commission and its independence from the ruling government.

"The ministries want the elections to be free and fair, but when you have the Ministry of Interior heading the Election Commission, it is hard to say they will be free and fair," he said. "They have good intentions, but what may be free and fair to them may not be the same to other people."

Galabru said that COMFREL has turned down a seat on the commission because the organization wishes to remain strictly neutral in the elections.

Although the official expressed confusion over COMFREL's reluctance, he said the Ministry of Interior is committed to holding proper elections and welcomes NGOs to participate in any capacity that they see fit.

"We don't care if it's COMFREL or COFFEL or both, but we need the local NGOs," he said. "We have to get people to feel the freedom to go out and vote."

Because of the political delays, the latest word is that Cambodians will have to wait until after the 1997 rainy season to place their votes.

"Sar Kheng invited us for lunch, and he said maybe the election will be around October or November of 1997," Galabru said.

Regardless of the delay, both the government and NGOs said holding the local elections is critical to the country's acceptance of the democratic process. Eighty percent of the Cambodian population lives in rural areas where the khum chiefs have not been elected since 1968.

"I would like to motivate people to understand more about democracy," the Ministry of Interior official said. "I would like the chief of the khum to have direct contact with the people."

The khum chiefs fill the important role of liaison between rural Cambodians and the provincial government. They have the authority to set their khum's budget, collect taxes and keep a record of their constituents.

Galabru said the local elections will be a test to see if the government, local NGOs and international monitors can work together before the potentially explosive national election in 1998.

"I have confidence that the local election will be a good test for Khmer NGOs to prove to the government that we can play an active role in Cambodian society," she said. "We hope that more and more the government will trust us, and the Cambodian people will trust us. Then COMFREL and the Election Commission can work together to help build a democratic system. Not only this time, but in 1998 and 2003."

Indonesia

Indonesia: Alatas Responds to Remarks Made at U.S. Senate Hearing

BK0408120396 Jakarta SUARA PEMBARUAN in Indonesian 3 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta, 3 Aug — Foreign Minister Ali Alatas has described U.S. Secretary of State Warren Christopher's remarks at the Senate Foreign Relations Committee hearing as a general view that cannot be directly related to the current situation in Indonesia.

"It appears that the gist of Secretary Christopher's remarks will help bring about a power transition [transisi] period when the time comes, but not now. When the time comes, the transition will reflect a process of greater democratization," said Alatas to SUARA PEMBARUAN on Friday (2 August)

"Therefore, his remarks were made in general terms. He was also very careful in his remarks," Alatas added.

On Friday Reuters reported Secretary Warren Christopher's remarks to the Senate Foreign Relations Committee hearing in Washington that the United States will help promote a power transition that demonstrates a country's growing interest in greater pluralism. "We want to promote a transition that will express people's aspirations," said Christopher, without elaborating on how the U.S. Government would do this.

Alatas said Secretary Christopher's remarks cannot directly be related to the current situation, adding that what Christopher said must be seen in a wider context. It is not clear whether Christopher was talking about Indonesia or other countries. Alatas was also uncertain about the hearing's purpose. All Alatas knew was that a bill on economic assistance to developing countries was being debated at that time.

Alatas noted that the United States generally wants to promote power transition in a peaceful way. "Who does not want to do that? We also want to do the same—namely, to move toward a process of greater democratization—as President Suharto has always said in every 17 August national day speech. We are indeed moving toward democratization, and I believe we are moving in the same direction," said Alatas.

Asked to comment on the report in the U.S. State Department's annual report on the human rights situation in Indonesia, to the effect that Indonesia has maintained an authoritarian political system, Alatas said the report does not reflect the true situation in Indonesia, which should have been viewed in its entire context. Alatas stressed the report is not balanced, as it is not based on the existing facts in the country. [passage omitted on Christopher's Senate hearing and Britain's concern over events in Jakarta]

Indonesia: Islamic Group Chief Denies Iraqi Baath Party Link

BK0508071196 Jakarta MEDIA INDONESIA in Indonesian 5 Aug 96

[ANTARA report — received via Internet]

[FBIS Translated Excerpt] Surabaya — Abdurrahman Wahid, chairman of Nahdlatul Ulama Islamic group, popularly known as Gus Dur, has regretted allegations that he has contacts with Iraq's Baath Party. He was also accused of having received the Democratic Award from the PRD [People's Democratic Party].

"These allegations mean that a culture of animosity has been created among citizens of this country. If the chairman of Nahdlatul Ulama can be accused of being a communist, what will happen to other leaders?," he said.

Gus Dur said this to about 20,000 Nahdlatul Ulama members at a ceremony to mark Prophet Mohamed's birthday and Indonesia's 51st independence day organized by the Islamic group's Surabaya chapter at Lontar mosque, Lakarsantri subdistrict, Surabaya on Saturday (3 August).

He said that while it is true he studied in Iraq when he was 22 to 24, he cannot be accused of maintaining ties with the Iraqi extremist party which has adopted underground tactics.

"How can you accuse a person who is 22-24 years old of getting involved in the Baath Party simply because he happened to be in that country? What could such a young man know? Do you think it is possible for the mighty Baath Party to accept a person who knows nothing? I was in Iraq for my studies," Gus Dur said.

The instructor of the Pancasila indoctrination program also denied reports that he is one of nine people who received the "Democratic Award" from PRD, as he did not get anything at all from the group.

"I have no idea what kind of award it is. The report that I have received the award is disseminated in handwritten form, saying that many people and members of mass organizations were invited to the awards ceremony. But I was not invited for it. Therefore, people should carefully check the report first," he said. [passage omitted]

Indonesian Military Says Australian Party Finances Radicals

BK0508064396 Melbourne Radio Australia in English 0500 GMT 5 Aug 96

[FBIS Transcribed Text] The Indonesian military said it's investigating links between the Australian Labor Party [ALP] and a radical group of activists which has been blamed for the worst rioting Indonesia has seen in more than 20 years.

A military spokesman said he suspects that the party had financed the activists. From Jakarta Michael Maher reports:

[Begin Maher recording] A spokesman for East Java's Military Command raised the issue of possible links between the Australian Labor Party and the so-called People's Democratic Party, or PRD, after interrogating a PRD activist. Lieutenant Colonel Subaggio told the JAKARTA POST newspaper that the activist had admitted that she had once been to Australia and met with Labor Party officials.

According to Subaggio the Indonesian armed forces now suspect that the ALP has financed the radical group's activities. He claimed the PRD also has links with other overseas organizations.

The head of the People's Democratic Party, who has been blamed for orchestrating the worst rioting seen in the Indonesian capital in more than 20 years, is still being searched for by police. [end recording]

Indonesia: Officials View Causes of Foreign Investment Decline

BK0508084596 Jakarta KOMPAS in English 5 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS Online — Last week, the Investment Coordinating Body was forced to deal with news reports regarding the cancellation of foreign investment as reported in the findings of the Investment Coordinating Body.

State Minister of Investment Procurement Sanyoto Satrowardoyo emphasized that the cancellations only came to 0.2 percent and that fluctuations in the level of investment were common.

However, the annulments indicated technical weaknesses in efforts to attract investment. Foreign investment is important to reduce the dependence on imported raw materials and consumption goods as well as leading to a reduction in the service deficit.

The government should not be defensive or reactive but assess the fall in the value of investments. From this information investment body can formulate future strategies.

According to Chairman of the Indonesian Chamber of Commerce Aburizal Bakri, there are four elements which make foreign investors reluctant to invest in Indonesia namely inconsistent regulations, distorted policies, excessive levies and charges, and bureaucratic attitudes.

Foreign investors are concerned at the frequent changes in Indonesian economic policy. Even after the policies are issued they are not obeyed or changed to suit the interests of certain parties.

According to an independent report issued by Econit [research agency] in June 1996, investment in the first semester of 1996 was pleasing even though foreign investment was relatively slow. The report identified troublesome bureaucratic practices as a main deterrent to foreign investment. Again inconsistent and discriminative policies were underlined.

Managing Director of Econit Arif Ariman maintained that investment in the industrial sector had fallen because of the high cost of infrastructure. Additionally, most infrastructure is concentrated in Java.

Investment in the infrastructure sector grew with implications that this sector is aimed primarily at the domestic market. This is because of the high cost of infrastructure services and therefore the high return, said Arif.

Foreign investment orientated to exports fell from 64 percent in 1994 to only 57 percent in 1995. This is the lowest figure in the past five years. Arif stressed.

It is therefore evident that the issue of investment does not only involve the number of projects agreed to but the extent of the realization of these projects. Efforts to attract foreign investment have not been effective. Much homework still needs to be done to reinforce Indonesia as a credible country.

Indonesia: Officer Claims Communists Penetrating Organizations

BK0508065996 Jakarta KOMPAS in English 5 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Bandung, KOMPAS Online — Assistant Chief of Staff for the Socio-Political section of ABRI [Armed Forces of the Republic of Indonesia] Major General Suwarno Adiwijoyo asserted the outlawed Indonesian Communist Party (PKI) had begun to infiltrate into public organizations.

Apart from political parties, non-government organizations and other mass organizations, ABRI also urges student movements to be cautious of communist penetration which is stirring several sections of society, Suwarno said at a discussion on political parties and democracy on Saturday (3 August).

In the discussion, organized by a student group in Bandung, Suwarno said that by the end of 1995 ABRI had already detected the infiltration of communist teachings in formless organizations. But now the movement was becoming more organized. From several recent events in Ujung Pandang, Flores, Pekalongan and Jakarta, ABRI has noted that the PKI has begun to permeate several organizations such as mass organizations, political parties, NGOs [nongovernmental organizations] and student movements. Because of this, we have to be cautious, he said.

Suwarno denied that the recent rise of PKI was only a symptom of ABRI's efforts to control certain critical elements in society in particular in relation to worker and land issues. He maintained that communism was being spread by those who were making use of the situation and spreading revolutionary ideals. There is an organized movement which threatens the unity of our nation, he said.

When asked why the Indonesian Democratic Party (PDI) has been targeted in the crackdown, Suwarno simply retorted with, the situation is not as simple as that...If we look at the history of the PKI, certain nationalist, religious and communist ideals influenced the party. Now Megawati and her friends have allied with non-Pancasila groups which in the past accepted these teachings. This has made the government and ABRI look at the developments of PDI as a party as well as a national asset, he concluded.

Suwarno also refuted that ABRI had taken advantage of the PDI conflict because of growing popularity of Megawati. He added that if the public wanted to convey their aspirations then they could through the parliament. ABRI doesn't want to restrict the dynamics of democracy, he said.

Indonesia: Suharto Grants Permission To Summon DPR Members

BK0208154896 Jakarta MEDIA INDONESIA in Indonesian 2 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Semarang (MEDIA) — President Suharto has granted permission to the police to summon and conduct investigations of Suryadi and Megawati Sukarnoputri—both are members of the DPR

[House of Representatives]—in connection with the PDI's [Indonesian Democratic Party] free speech forum and the riots known as gray Saturday (27 July).

"The president's letter had been issued. It was immediately dispatched to the area police chief through the National Police Headquarters on 1 August," Attorney General Singgih told journalists after appointing the Central Java High Court chief judge in Semarang yesterday.

The attorney general did not explain whether the president's permission to summon the PDI faction members of the DPR was applicable to all of them. It was reported that other PDI members of parliament, such as Sutarjo Suryoguritno, Sabam Sirait, Aberson Marle Sihaloho, Sophan Sophian, and Mangara Siahaan, a member of the MPR [People's Consultative Assembly], would also be called to give explanations.

MEDIA sources at the National Police Headquarters said yesterday that President Suharto's permission letter had been received by the Metropolitan Area Police, which had prepared the summons letters for Suryadi and Megawati. The letters, prepared by the Directorate of Investigation will be submitted today directly to the persons concerned.

"Megawati had been asked to come to the Metropolitan Area Police on 5 August 1996. She will be asked to explain the activities of the free speech forum and the riots at the PDI office," the source said, adding that the time for Suryadi's questioning is not yet known.

When asked about Megawati's status in the summons letter, the source said she was regarded as a witness. "Yes, Megawati is from the PDI. Before the riots broke out, she and her supporters had control of the building at No. 58, Jalan Road, Diponegoro. This was the place where disorderliness took place and resulted in the riots," he said.

When contacted by MEDIA last night, Brigadier General Nurfaizi, head of the information service of the National Police, was not willing to disclose the matter. "The investigations of the PDI members will be handled totally by the Metropolitan Area Police," he said.

Yesterday, Suryadi told MEDIA again that he was ready to be summoned by the police. "As a good citizen, I am ready to give my explanations at any time," he said. [passage omitted on Pakpahan's refusal to sign the dossiers for his arrest]

In the meantime, 246 people involved in the gray Saturday riots have been detained by the Metropolitan Area Police, and 106 have been detained outside the area. A total of 124 persons—among them are two women suspects—have been formally charged with violation of Section 170 of the law on use of force and with causing damage in public view.

Some 16 persons captured by the police went through an intensive investigation last night. They had been suspected of causing arson and setting fire to properties, and were thus charged with violations of Section 187 and Section 406 of the law.

In this connection, Clementio Dos Amaral, a member of the National Commission on Human Rights, admitted that he had already obtained information on the casualty toll from the gray Saturday incident. "We cooperated with four related agencies to search for information on those killed, still missing, and seriously or slightly injured," he said in Jakarta yesterday.

In Surabaya, the three PRD [People's Democratic Party] activists under detention at the local regional police headquarters main detention center, are under special supervision and have been placed in individual cells. They are no longer allowed to receive visitors, as they did previously.

Lieutenant Infantry Karseno, commander of the 0506 Tangerrang Military District, had confirmed that two PRD members were involved in the gray Saturday incident, and they were caught by military district command officials at their house in the Cileduk area on Wednesday evening. They are now being detained at the military district command for further investigation. Likewise, five SMID [Indonesian Students Solidarity for Democracy] activists were arrested by authorities in Yogyakarta yesterday.

Taufiq Hidayat, chairman of the Indonesian Students Association's (HMI) executive board, told MEDIA yesterday that if it is true that a number of HMI members were involved in the PRD's activities, they should withdraw from the organization. "I am confident that they have only been used," Taufiq said.

Indonesia: PDI Members Comment on Investigations Summons

BK0308130896 Jakarta MEDIA INDONESIA in Indonesian 3 Aug 96

[Unattributed report—received via Internet]

[FBIS Translated Excerpt] Jakarta (MEDIA) — All the people who were involved in the PDI's [Indonesian Democracy Party] free speech forum at No. 58, Jalan Road, Diponegoro, Central Jakarta recently— which led to the riots on 27-28 July 1996 known as Gray Saturday— have been identified. The authorities will definitely investigate them, and they will be charged with offenses under the National Subversion Act.

"Their names have been recorded," a senior military official at the ABRI [Armed Forces of the Republic of Indonesia] Headquarters told journalists on Friday (2 August) following a gathering here of ABRI Ex-Servicemen's Association members.

The one-star general refused to mention the names of the masterminds of the free speech forum, however. "Just wait. If we mention their names now, the people involved whose names have been listed to be summoned can go into hiding," he said.

Continuing, he said that the names of the masterminds of the free speech forum had been dispatched to the immigration authorities at at every airport and seaport for monitoring. "Therefore, they cannot go overseas, and this will make it easier for the authorities to investigate them," he said.

The general had also confirmed that the masterminds of the free speech forum can be arrested under the National Subversion Act, because such activities are considered to be the origin of the attack against the government and to discredit the authority of the New Order Government. When asked if the PDI cadres belonging to the Suryadi group that invaded the PDI's Central Executive Council (DPP) secretariat during the Gray Saturday incident could be charged with subversion, he said: "They would be charged with offenses under the criminal code."

With the issuance of the travel prohibition order, it means that the six members of the DPR [House of Representatives] from the PDI faction who are to be questioned by the police in connection with the free speech forum have also been prohibited from overseas travel.

Major General Hamami Nata, head of the Greater Jakarta Metropolitan Area Police, said that the six PDI leaders held responsible for the free speech forum have been ask to come to the Metropolitan Area Police Headquarters on 5 August.

The summon letters were issued to Megawati Sukarnoputri, Sutarjo Suryoguritno, Aberson Marle Sihalo, Sabam Sirait, Sophan Sophian, and Suko Waluyo. "They have been given three days, so they are expected to come to the police on Monday (5 August) to provide explanations," Maj. Gen. Hamami said. [passage omitted covered by referent item]

PDI MP's Aberson, Sutarjo, and Sabam admitted to MEDIA yesterday that they had not received either the summons letter for investigations or President Suharto's letter of consent. Sabam and Sutarjo said that they would comply with the summons in accordance with the procedure.

Aberson has reiterated that he is ready to be investigated by the police, even if it is without President Suharto's consent. He said all citizens are equal before the eyes of law and the government, without any exception, in keeping with Section 27 of the mandate of the 1945 Constitution. "Because of this, I will be present if the authorities believe that I should be called to provide explanations, even if it is without President Suharto's consent," he said.

Although Megawati had said that she was ready to be summoned, she told MEDIA yesterday: "If it is true that there was a summons letter for me, in which capacity was I summoned, and also on what basis?" She claimed that she has not received the summons letter. [passage omitted]

Indonesia: Official on Travel Restriction Against PDI Members

BK0308133496 Jakarta KOMPAS in Indonesian 3 Aug 96

[Unattributed report—received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — Director General of Immigration Pranowo has reiterated that his office received an order from the attorney general to prevent six persons suspected to be the perpetrators of the 27 July 1966 riots from leaving the country.

Pranowo said they are: Dr. Mokhtar Pakpahan, chairman of the Prosperous Labor Union of Indonesia (SBSI), who has been arrested and detained by the attorney general; People's Democratic Party (PRD) Chairman Budiman Sujatmiko, who is still at large; and four other activists.

The director general of immigration said this to KOMPAS when contacted at his residence on Friday afternoon (2 August). When asked if Megawati has also been prevented from traveling overseas, Pranowo said that there was no prohibition order thus far from either the Greater Jakarta Metropolitan Area Police or from the attorney general.

"As of 1800 West Indonesian Time [1100 GMT], we have not received any order from the police or the attorney general to prevent Megawati Sukarnoputri and her friends from travelling overseas," he said.

"A new development can happen. I will check with my staff first; however, it is clear that as of now (1800 West Indonesian Time], we have not received any order to prevent Megawati from leaving the country," Pranowo stressed. [passage omitted]

Indonesia: Megawati Refuses To Appear for Questioning

BK0508032096 Sydney THE SYDNEY MORNING HERALD in English 5 Aug 96

[Article by correspondent Louise Williams in Jakarta: "Megawati Defiant on Riots Inquiry" — received via Internet]

[FBIS Transcribed Text] Indonesia's pro-democracy leader, Ms. Megawati Sukarnoputri, has defied the authorities by refusing to comply with a police summons to appear today to be questioned over violent anti-government protests just over a week ago.

A crackdown on political dissent has already led to criminal charges being laid against more than 133 people who participated in the riots, and police say an immigration ban has been put in place to prevent scores of further suspects leaving the country. According to REUTERS Ms. Megawati will send a lawyer in her place to answer the summons this morning.

"She will not appear; her team of lawyers advised her not to go as the summons has some legal flaws," a senior source from her party, Partai Indonesia Demokrasi (PDI) [Indonesian Democratic Party], was quoted as saying.

The official ANTARA news agency reported yesterday that any person who took part in Ms. Megawati's free speech forums at her party headquarters would be questioned and might be charged with subversion, despite an earlier agreement with the military that the forum was legal.

ANTARA quoted a senior source from Indonesia's powerful armed forces (ABRI) [Armed Forces of the Republic of Indonesia] as saying the names of all those who participated in the forums, which ran for more than a month before police and troops stormed the PDI headquarters, had also been put on the immigration black list.

However, in an earlier interview with the HERALD, Ms. Megawati said agreement for the forums had first been sought from the local military authorities in Jakarta.

The forums began after earlier police action against PDI members who were forcefully dispersed on the streets of Jakarta as they protested against the ousting of Ms. Megawati from the PDI's chair by a government-backed rebel congress in June.

After the clash Ms. Megawati agreed to restrict street protests and requested, and received, permission to conduct rallies within the PDI headquarters occupied by her supporters.

However, the police case against Ms. Megawati alleges the popular daughter of Indonesia's founding President Sukarno used the forums as platforms for anti-government propaganda, amounting to "an embryonic stage of a coup d'etat".

Two of her colleagues, prominent actor Sophan Sophiaan and Aberson Sihaloho, have also been summoned to appear today. All three are members of parliament and permission to question them had to come directly from President Suharto.

The crackdown has already led to 246 arrests. A police spokesman said 133 people had been charged, and 123 of them already referred to the courts. A labour activist, Mr. Mokhtar Pakpahan, also a participant in the forums, became last Friday the first person to be charged with subversion, which carries a maximum penalty of death.

The police spokesman, however, said none of the members of the People's Democratic Party (PRD), the supposed Communist masterminds of the rioting last weekend, had been arrested. The PRD members are believed to have gone into hiding.

The crackdown has dashed the hopes of many Indonesians that the Suharto Government was moving towards openness at a time when rapid economic growth is producing a wide range of new social and political issues.

Philippines

Philippines: Ceiling on Foreign Firms' Local Borrowings Lifted

BK0508071696 Manila BUSINESS WORLD in English 5 Aug 96

[Unattributed report — recevied via Internet]

[FBIS Transcribed Text] The Monetary Board, the policy-making body of the Bangko Sentral [Central Bank], has lifted the ceiling on domestic borrowings of foreign companies to allow them more leeway in obtaining funds from local financial institutions starting January 1997.

In a statement, Bangko Sentral Governor Gabriel C. Singson said this will align monetary policies with the deregulated financial environment and the government's program to attract foreign investments.

Before, the government required foreign companies to maintain a debt-to-equity (D/E) ratio of 70%-30% or 60%-40%, depending on their industry category, to determine the amount of loanable funds these firms can source from the local banks and non-banks. This rule was meant to prevent foreign firms from crowding local corporations out of the limited resources in the financial sector.

However, recent studies by the Bangko Sentral indicated foreign companies are relying less on banks for loans which, monetary authorities said, justified the easing of the regulation.

"Even with the D/E ratio in place, foreign companies since 1990 have been relying less and less on local banks in raising capital as evidenced by the declining share of foreign borrowers' availments to the loanable funds," Mr. Singson said.

From a high of 2.98% in 1990, the ratio of peso borrowings of foreign firms to the total loan portfolio of banks dropped to only 1.37% in 1995, the lowest since 1981, the Bangko Sentral added.

The D/E ratios, decreed in 1971, effectively limited the ability of foreign firms to borrow domestically. Foreign firms are defined as partnerships and corporations more than 40% owned by non- Filipinos.

The Bangko Sentral economic research department said for the period 1990 to 1995, the utilization rate on borrowing limits by foreign banks declined to 17.92% by the end of 1995 from 44.58% in 1990. Most of the top borrowers last year utilized only an average of 42.75% of their peso borrowing limit.

Mr. Singson also noted that with the liberalization of the foreign exchange and payments systems three years ago, local and foreign firms now have a wider pool of available funding sources which includes FCDU (foreign currency denominated units) loans.

Philippines: 'Stumbling Blocks' to Mindanao Peace Accord Removed

BK0508063396 Manila BUSINESS WORLD in English 5 Aug 96

[Report by Carlo M. Santos and Jemileen U. Nuqui — recevied via Internet]

[FBIS Transcribed Text] Malacanang and the Moro National Liberation Front (MNLF) have agreed in principle on two contentious issues hindering a final peace pact between the government and Muslim rebels.

This was after both parties came to "a meeting of minds" during the 31 July meeting between Executive Secretary Ruben Torres and MNLF chairman Nur Misuari in Jolo, Sulu.

Also present in the meeting were members of the Organization of Islamic Countries (OIC) and the government panel negotiating peace with the Muslim rebel group, MNLF Secretariat official Abraham Iribani told BUSINESS WORLD.

During the meeting, Mr. Torres and other government officials discussed with Mr. Misuari and the OIC the creation of a special regional security force for the Autonomous Region for Muslim Mindanao (ARMM) by 1999.

It may be noted the creation of a regional security force as well as the integration of MNLF regulars into the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP) are the remaining stumbling blocks to a final peace agreement between the government and the MNLF.

A few days before the 31 July meeting, the government conceded to the MNLF's demand for the integration of 5,500 MNLF regulars into the AFP and another 2,000 Muslim rebels into the PNP.

The resolution of issues on integration and regional security paves the way for the government and the MNLF to proceed to Jakarta, Indonesia this August to discuss a final peace agreement. It also allows both parties to finalize the creation of the Southern Philippines Council for Peace and Development (SPCPD).

Mr. Iribani said the government and MNLF panels are to proceed to Jakarta right after the Senate concludes its inquiry into the Mindanao peace process.

Sources told BUSINESS WORLD the Jakarta meet is likely to be held on the third or fourth week of August.

Not the MNLF [subhead]

Meanwhile, Mr. Iribani denied MNLF involvement in the attack on Limaong, an island of the coast of Zamboanga del Norte. Military authorities report the island was attacked by 500 heavily armed men clad in military uniforms late last week. They demanded that the island's 7,000 inhabitants leave.

The AFP Southern Command earlier claimed the attackers were MNLF. It plans to lodge a complaint with the Joint Ceasefire Committee against the MNLF for allegedly violating the ceasefire agreement.

But Mr. Iribani said the attack may have been staged by groups against the MNLF and the SPCPD.

"We are so close to peace, why would we do that? The MNLF is not an irresponsible organization to allow its own members to do something like this. It is irresponsible for the military to say the MNLF was behind the attack," he said.

He, however, denied to comment whether the Moro Islamic Liberation Front (MILF) or the Muslim extremist group Abu Sayyaf were behind the assault. It may be noted both groups are against the SPCPD.

However, despite the MNLF's denial, the Joint Ceasefire Committee yesterday ordered MNLF members occupying Limaong island to leave immediately. Defense Secretary Renato de Villa said the takeover of the island allegedly by MNLF regulars was a "clear violation" of the ceasefire agreement between the government and the MNLF.

Meanwhile, the [Malacanang] Palace was warned yesterday to backtrack on its hardline stance on the creation of the SPCPD or "sow the seeds of long-term disorder" in Mindanao.

"Unless the government is determined to ram through an agreement which will sow the seeds of long-term disorder, its only course of action is to backtrack," said Senator Francisco Tatad.

At the same time, Mr. Tatad criticized the plan to place the Southern Philippines Development Agency (SPDA) under the "control and supervision" of the SPCPD.

He said it was "absurd" to allow the SPCPD to supervise an agency which covers a different jurisdiction. Confusion can thus be expected since both agencies are seen to end up encroaching on each other's area of responsibility.

Under the SPCPD plan, 14 provinces and 10 cities in Mindanao are to be placed under the council. The SPDA, meanwhile, covers 23 provinces and 17 cities in the south, except Palawan.

Thailand

Thailand: U.S. Embargo Hits Thai Shrimp Exports

BK0308144696 Bangkok BUSINESS DAY in English 3-4 Aug 96 p 1

[Unattributed Report]

[FBIS Transcribed Text] Exports of frozen shrimp have been hard hit by the US embargo on produce caught by trawlers not fitted with equipment to prevent sea turtles from becoming ensnared in their nets.

According to a statement released by the Aquaculture Business Division of the Charoen Phokkhaphan [CP] Group, the US policy to bar imports of shrimp from countries not complying with the requirement to fit turtle-exclusion devices (TED) to fishing nets is the single greatest cause of damage to the Thai fishing industry.

Turtles often drown after becoming entangled in shrimp trawling nets.

The statement concluded that the US policy does not take into consideration the fact that fishermen from developing countries such as Thailand do not have the resources to install TED let alone make a living from shrimping. [sentence as published]

The embargo, instigated in May, has driven the price of marine shrimp down by more than 30 percent, creating a mountain in the cold storage facilities of Thai processors.

Consequently, the price of farmed shrimp has been influenced by this and since April, pond-raised shrimp prices have dropped by a similar margin.

Making matters worse for Thailand, Indonesia is exempted from the US embargo giving it a competitive edge.

Industry analysts predict that ultimately the prices will drop further as the effects of other international policies start to bite, such as the upwardly revised tariffs imposed by the European Union (EU) under the new Generalized System of Preferences (GSP), due to come into effect next year.

These pressures if left unchecked by the Thai government, would have a serious impact on the seafood industry and be devastating for individual shrimp raisers, CP said.

Thailand: Editorial on Tensions With U.S. Over Trade Issues

BK0408132496 Bangkok THAILAND TIMES in English 4 Aug 96 p A4

[Editorial: "Lull in U.S.-Asia Trade Wars is Temporary"]

[FBIS Transcribed Text] Tensions related to Thailand-US, or that between China-US or Japan-US trade relations seem to have subsided since the outset of this year, when shrimp harvesting, intellectual property protection, automotive parts and Kodak film featured, in conflicts between the United States and Asian countries. But, this unusual lull is only temporary, considering that the United States generally releases its annual National Trade Estimates (NTE) Report in March.

At present, the United States is calculating its balance sheet of last year's foreign trade relationships with its major trading partners. Indications are that the US will no doubt come up with a device that is advantageous to itself and try to fit those into the new trade strategy which, in the eyes of the world will look as an appropriately changed pattern to meet international economic conditions. There are two key variables that will determine the nature of this year's Thai-American trade relations.

In the first instance, contrary to some concerned pessimistic voices, economic forecasts show that the United States economy is headed for a soft landing, with exports emerging as a driving force for further growth.

With the US Department of Commerce pursuing its so-called "Big Emerging Markets (BEMs)" policy last year, exports to Asia's emerging markets increased remarkably. In its strategy, the United States will be stepping up its pressure against countries in Southeast and East Asia, including Thailand, for, market access will focus on particular business sectors as compared to past efforts to rectify an overall trade imbalance .

As, this is a presidential election year in the United States, the US media will bombard the public with campaign coverage about the presidential and congressional elections set for November. The Clinton administration will push policy measures that will help the president's reelection bid.

Meanwhile, the conclusion of a new agreement for trade liberalization will be impossible because prospects for renewal of the presidential "fast track authority" appears remote. Once, the ongoing World Trade Organization's follow-up negotiations on telecommunications and maritime transport are successfully concluded, the United States will concentrate on new trade issues at the first WTO ministerial meeting which will be held in December of this year in Singapore.

The United States will raise such issues as investment, labor standards, competition policy, corruption and non-tariff trade barriers, in addition to the environmental issues it raised at the Marrakesh summit meeting in Morocco.

As multilateral consultations for further trade liberalization have come to an impasse, the United States may seek to intensify its trade pressure through bilateral channels. That is with the carrot and stick method. A close look at the Monitoring and Enforcement Unit (MEU), recently established within the office of the US Trade Representative (USTR) to monitor and enforce trade agreements, clearly reveal the thrust and threat posed by the US trade policy.

The establishment of the MEU was foreseeable when Charlene Barshefsky, then assistant trade representative, emphasized last year that Washington had concluded around 170 agreements over the past three years, and it was time for the United States to reap the fruits of those agreements rather than to negotiate new accords.

The important role of the USTR's new permanent unit is to prepare the NTE Report, which includes a compilation of the so- called "unfair trading practices of foreign countries," and to assess whether measures should be taken against these foreign countries. The unit also coordinates US complaints involving bilateral or multilateral disputes.

The important thing to realize is that the United States will be using a double-edged sword when seeking to resolve its future trade disputes. One within the multilateral framework, especially, when it comes before the WTO Dispute Settlement Board. The other is within the bilateral accords where Washington will depend on threats of sanctions that come under the "301-Most Favored Nation status" package. It is obvious that the US will take refuge in either of the two instruments when it is to it's own advantage.

Thus, in one way or another the so-called free trade and competition with the rest of the world will be on US terms. Are we going to sit still, and do as we are told?

Thailand, Burma Sign Minutes of Border Issues Discussion

BK0308131196 Bangkok THE NATION in English 3 Aug 96 p A5

[Report by Rita Patiyasewi]

[FBIS Transcribed Text] Rangoon — Thailand and Burma will soon sign an agreement on border crossing to facilitate and regulate the flow of people, Foreign Ministry Permanent Secretary Thep Thewakun said yesterday.

Thep said that the discussion on border crossing between the two delegations, led by Foreign Minister East Asian Affairs Department Director General Suwit Simasakun and his counterpart Director General of Immigration and Population U Maung Aung, achieved considerable success.

Suwit and U Maung Aung signed the minutes of the two-day discussion on Thursday.

The draft agreement needs Cabinet approval before it can be signed. The agreement will cover Tachilek, which is opposite Mae Sai in Chiang Rai province; Kawthaung, opposite Ranong; and Myawadi, opposite Mae Sot.

Thep said that a number of issues were raised, including difficult border issues, during the meeting prior to the third Thai-Burmese Joint Commission on Bilateral Cooperation.

He said he proposed to his Burmese counterpart U Khin Maung Win, director general of the Political Department, that to resolve border problems both countries should conduct a joint survey to demarcate the border, starting with disputed areas such as Mae Sot-Myawadi.

Thep asked Burma to separate border issues from the construction of the Thai-Burmese friendship bridge across the Moei River in Tak province.

Some Thais in Tak province extended the bank of the Moei to an islet in the river, which brought strong protests from Rangoon. The Burmese ordered construction of the bridge suspended. Thailand agreed to dredge the river, but the two sides are in a deadlock due to unclear boundary lines.

Thailand: Chat Thai Party Official Proposes House Dissolution

BK0308103096 Bangkok THAI RAT in Thai 2 Aug 96 pp 1, 17

[Unattributed report]

[FBIS Translated Text] As the country's current political and economic situation has plunged into a state of chaos, Thawit Klinprathum, deputy leader of the ruling Chat Thai Party, disclosed that he would ask the prime minister to dissolve the parliament. Speaking to reporters during an interview at the National Assembly building at 1630 on 1 August, he pointed out that the government is being bombarded with all sorts of problems, including those inside the National Assembly, and attributed the present turmoil to the ongoing onslaught of reckless mudslinging among politicians outside the parliament. The prime minister, he said, should dissolve the parliament before passage of the 1997 budget bill and let the caretaker government organize a new general election. The present situation cannot be allowed to drag on any longer because it will create more confusion in the society and eventually lead to an upheaval in the country.

Thawit said the reason he recommended the dissolution of parliament before passage of the budget bill is to prevent hasty deliberation of the legislation, which could result in lavish spending in the national budget. He told reporters that he had already discussed the proposal with more than half of the parliament members, including General Chatchai Chunhawan, leader of the Chat Phatthana Party. Most of them were shocked by the idea but listened to his explanation.

Asked about the claim made by Rakesh Saxena regarding the financial support given to Banhan Sinlapa-acha for the Chat Thai Party's election campaign, Thawit said he does not believe that Banhan would have taken money from that person because members of the party like Sano Thianthong, Chuchip Hansawat, and he himself are quite rich and self-sufficient. He and his two sons have never used the party's money. Other members like [former Deputy Interior Minister] Suchat Tancharoen and [former Deputy Finance Minister] Newin Chitchop are businessmen who came to know Saxena when they sought loans from the bank.

Thawit said he will not run in the next general election because it costs too much, and he cannot afford it. His sons, however, will compete with his support.

Thailand: Article Describes Pact on Military Reshuffle

BK0308103196 Bangkok SIAM RAT SAPDA WICHAN in Thai 28-3 Aug 96 pp 10-12

[Unattributed article: "Secret Contract Between Chawalit and Wirot"]

[FBIS Translated Text] It was noticeable that the reactions and views of Defense Minister General Chawalit Yongchaiyut and Supreme Commander General Wirot Saengsanit regarding bickering over the budget issue between the Democrat Party and military were totally "identical."

During their recent meeting, which proceeded in a very amicable atmosphere, Chawalit and Wirot were reported to have brought up several issues for discussion and to have reached agreement on how to handle them. SAIM RAT SAPDA WICHAN will focus in this article on two major issues for consideration.

Gen. Wirot belongs to the last group of graduates of Class 5 of the Chunlachomklao Royal Military Academy [CRMA] who are still serving in the military. His classmates include Gen. Suchinda Khraprayun, Gen. Itsaraphong Nunphakdi, and Gen. Wimon Wongwanit. Gen. Wirot is the fourth graduate of the class who has attained the highest position in the Armed Forces. As supreme commander, Gen. Wirot's influence and role in the Armed Forces appear fairly prominent, if not more prominent than those of the Army commander.

Everybody knows that Gen. Chawalit, graduate of CRMA Class 1, has maintained a close relationship with the graduates of Class 5. He even appointed them as his "heirs" in control of the Armed Forces after he decided to enter politics to serve as deputy prime minister and defense minister in the government of former Prime Minister Gen. Chatchai Chunhawan.

When the CRMA Class 5 graduates under the cloak of the NPKC [National Peacekeeping Council] staged the coup, however, it was thought that Gen. Chawalit, who was then busy forming his New Aspiration Party, would be chosen as prime minister. It turned out, however, that Anan Panyarachun was selected by Gen. Suchinda Khraprayun for the premiership. Gen. Chawalit was extremely disappointed and was later hospitalized to heal this wound.

Gen. Chawalit strongly and openly criticized the appointment of Gen. Suchinda Khraprayun, who received the full support of the MRCA Class 5 graduates and the NPKC. Meanwhile, Gen. Wirot kept a low profile and strayed from the path to power, although he was expected to succeed Gen. Itsaraphong Nunphakdi. The post of Army commander, however, was given to Gen. Wimon Wongwanit, who was transferred from the Supreme Command Headquarters.

In any event, Gen. Wirot's supporters did not give up their efforts to lobby for him to become the head of the Army. Soon after his appointment, Prime Minister Banhan Sinlapa-acha approached Defense Minister Gen. Chawalit last year and asked him to appoint Gen. Wirot as Army commander. Gen. Chawalit turned down the prime minister's request by citing Gen. Wirot's lack of popularity. The fact was, however, that Gen. Chawalit had already reserved the Army commander post for Gen. Pramon Phalasin.

As the result of the bargaining, Gen. Wirot was appointed supreme commander. Both Gen. Wirot and his colleagues are happy with this arrangement. With only one year left before his retirement, Gen. Wirot has been working hard to secure achievements for the benefits of the Armed Forces and the country, as well as for his own reputation. He normally wakes up at 0500 or 0600 every day to receive guests from business, political, and military circles.

Things are proceeding in such a way that the door is now open for Gen. Wirot again.

The military and mass media circles are now talking about the simultaneous retirement of the five military leaders—namely, defense permanent secretary, supreme commander, Army commander, Navy commander, and Air Force commander—which is an unprecedented phenomenon for the Thai Armed Forces.

People are thinking that Gen. Chawalit, in his capacity as defense minister, will have the sole power to manipulate the Armed Forces and consequently will use them as his power base to attain the premiership in the future.

Banhan reacted indifferently at first to Gen. Chawalit's reported political ambitions. After listening to warnings from many people inside and outside the Chat Thai Party against the menace Gen. Chawalit could pose to his premiership, however, the prime minister began to think of ways to defend his political future, as well as to keep power in his hands as long as possible.

The prime minister believed that Gen. Wirot, who he brought to power, could help him in keeping the power in Gen. Chawalit's armed forces well-balanced and in preparing the annual military reshuffle list scheduled to be officially announced in October.

The mass media reported frequently on conflicts between Gen. Chawalit and Gen. Wirot over many issues in the past. It was previously anticipated that the upcoming annual military reshuffle, especially the appointment of the new Army, Navy, and Air Force commanders, would could turn out to cause a big explosion.

Following Banhan's merciless dismissal of former Finance Minister Surakiat Sathianthai in the latest cabinet reshuffle, however, Gen. Wirot has come to realize that he might face a similar fate himself some day.

In readjusting his position, Gen. Wirot has taken a stand in a position conducive to the revival of amicable relations with Gen. Chawalit.

Police General Bunchu Wangkanon, also a graduate of the MRCA Class 5, played an active role in bringing the two generals together again.

At present, Gen. Wirot can get along with both Banhan and Gen. Chawalit, not only to keep the Armed Forces running smoothly in the next few months but also to pave the way for his political future.

Finding political power very alluring, Gen. Wirot has already decided to enter politics after his retirement, hoping for a ministerial post in the government under the leadership of either Banhan or Gen. Chawalit.

Another important person who has helped to mend the rift between the two generals is Police Captain Chaloem Yubamrung, leader of the Muanchon Party and justice minister.

Police Captain Chaloem is well known for his expertise at turning friends into enemies and vice versa. He was the one who arranged the meeting for Gen. Chawalit and Gen. Wirot to revive their friendship and cooperation. He is confident that the future political successes of the two generals will also benefit his Muanchon Party.

Police Captain Chaloem has been trying to maintain good relations with Gen. Chawalit, Banhan, and Gen. Chatchai Chunhawan, leader of the Chat Phatthana Party. Should any one of them form a new government in the future, he will be included in the cabinet and have easy access to a close association with the military at the same time.

He is a highly successful lobbyist of this era, who has managed to reduce tension between Gen. Chawalit and Banhan and consequently prevent a clash between the Banhan-Gen. Wirot group and Gen. Chawalit.

Although no written contract was signed at the meeting that was attended by Gen. Chawalit, Gen. Wirot, and Police Captain Chaloem, the two generals seemed to trust the verbal agreements they made. According to sources in the New Aspiration Party, two major issues that were brought up for discussion at the meeting were:

1. Gen. Chawalit's pledge to support Gen. Wirot's political future.

2. The appointment of commanders of the Armed Forces to be made in the October annual military reshuffle.

As already mentioned, Gen. Wirot's plan is to serve in a ministerial post after his retirement from the military. Gen. Chawalit is believed to be able to make his dream come true.

Earlier, Banhan was reportedly trying to offer the Interior Ministry post to Gen. Chawalit in exchange for the defense minister post, which he intended to give to Gen. Wirot. Gen. Chawalit turned down the offer, however, because he still wanted to control the military.

Later, the three factions in the Chat Thai Party under the leadership of Narong Wongwan, Sano Thianthong, and Watthana Atsawahem tried to press Banhan to give them the interior minister post. Banhan was reported to have approached Gen. Wirot and promised to give him the post if he could not stand the pressure. Banhan continued to cling to the post, however, because he wanted to handle the appointment of provincial governors so that he could build a firm support base for his Chat Thai Party's election campaign nationwide.

It was said that Gen. Chawalit had agreed to support the appointment of Gen. Wirot as deputy defense minister in August or October, which should be acceptable to Prime Minister Banhan.

The second issue discussed at the meeting was the October annual military reshuffle. Gen. Chawalit and Gen. Wirot have agreed to prepare the new military lineup in such a way as to prevent a conflict between the government and military.

Gen. Chawalit has decided to let Gen. Wirot, Gen. Pramon Phalasin, Admiral Prachet Siridet, and Air Chief Marshal Siriphong Thongyai work out the reshuffle list, including the appointment of officers to serve in important positions in the Armed Forces. The list, however, will eventually be submitted to him for consideration.

SIAM RAT SAPDA WICHAN has summarized reports from various sources on the upcoming annual military reshuffle as follows:

1. Army Commander Gen. Pramon Phalasin wants Gen. Chettha Thanacharo to succeed him because: 1.1 Gen. Chettha has long working experience in the Army. 1.2 Gen. Chettha has been serving in the Army since the beginning of his military career. 1.3 Gen. Chettha is popular among junior officers.

Meanwhile, Gen. Wirot prefers Gen. Mongkhon Amphonphaisit, military chief of staff, because the latter is acceptable to both military personnel and people in all sectors of society.

Moreover, Gen. Mongkhon has close relations with Gen. Prem Tinsulanon, a member of the privy council who is highly respected and revered by Banhan, Gen. Chawalit, and Gen. Wirot. Once he even accompanied Gen. Chettha to meet with Gen. Prem to clear up a misunderstanding.

Gen. Mongkhon and Gen. Chettha are both friends and graduates of CRMA Class 5 who are vying for the top post in the Army.

Gen. Thawan Sawaengphak, assistant Army commander, is another qualified candidate for the Army commander post.

2. Two potential candidates for the post of Navy commander are Admiral Wichit Chamnankan and Adm. Surawut Maharom.

3. Two potential candidates for the post of Air Force commander are Air Chief Marshal Amon Naeomali and Air Chief Marshal Samat Sotsathit.

Thailand: Wirot: Minister Must Consult Chiefs on Changes

*BK0308131096 Bangkok THE NATION in English
3 Aug 96 p A2*

[Unattributed Report]

[FBIS Transcribed Text] Supreme Commander Gen. Wirot Saengsanit said yesterday the defence minister had the right to make changes to the annual transfer lists prepared by military leaders.

However, if Defence Minister Chawalit Yongchaiyut wants to make any changes, he should first consult military commanders, said Wirot, who will retire at the end of September.

Asked if Prime Minister Banhan Sinlapa-acha wanted to have a hand in the reshuffle, Gen. Wirot said the military establishment was best suited to decide about promotions.

"I am a military officer. The prime minister is a civilian. Who knows better about military affairs?" he said.

However, he said he believed the prime minister would not intervene in the annual transfers.

The supreme commander denied there had been any political attempts to pull strings, saying: "So far, no politicians have come to me with the names of officers they want to see given special treatment."

He also played down the possibility of a proposed reshuffle list getting tampered with once he presented it to his immediate superior, Chawalit.

Critics fear Chawalit might use his authority to tamper with the list to install his men in senior positions in order to further his own political ambitions.

Army chief Gen. Pramon Phalasin said the ability to run the Army effectively would be the chief factor used in considering nominations for the top Army position. Seniority would also be a consideration, as would appropriateness.

Pramon said nominations would not be made until after a meeting of the Defence Council.

He said informal negotiations are already under way among the armed forces top brass so that a consensus could be reached.

"Decisions will not be made based on individual opinions but by consensus, in the interests of the military," he said.

Pramon said he did not plan to enter politics after he retired in September.

Permanent Secretary for Defence Gen. Phaibun Emphan said yesterday he agreed with Pramon's proposal that the armed forces' chief positions should go to the officers who receive the most votes at a senior meeting of top brass.

Thailand: Wirot Insists Military Satellite Necessary

BK0408130896 Bangkok THAILAND TIMES in English 4 Aug 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Bangkok—Supreme Commander Wirot Saengsanit yesterday asserted the need for the Armed Forces to own a military satellite following the project's suspension by Defense Minister Gen. Chawalit Yongchaiyut on Friday. Chawalit suspended the military satellite project scheduled for deliberation by the cabinet on August 6, for the sake of solving the national trade deficit.

Gen. Wirot said the project suspension was not motivated by frustration, but rather designed to promote the flow of economic developments as Chawalit has already explained in a recent Defense Council meeting.

He said he expected the project proposal be submitted for consideration by the cabinet again at a more appropriate time.

Talking about the fate of the military satellite called "Star of Siam" project, the Supreme Commander said it was possible for the military to get the military-run television stations — Channel 5 or 7 — to operate the project since these agencies did not have financial problems, aside from being part of the armed forces network.

Thailand: Defense Minister: Satellite Project To Be Withdrawn

BK0208145796 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 2 Aug 96

[FBIS Translated Excerpt] General Chawalit Yongchaiyut, defense minister and deputy prime minister, today expressed his intention to end attempts to push for the military satellite project.

Chawalit said the reason for this is to avoid criticism over destroying the national economy. He said that, in fact, the arms acquisition and military satellite project would not have an effect on the country's current account deficit because it is spending from the armed forces budget and the purchase would be made under a countertrade system. In order to make the people feel at ease, however, he decided to withdraw the arms acquisition and military satellite project from the agenda of the cabinet meeting. [Begin Chawalit recording] We will not push for it. If the proposal is submitted to the cabinet on 6 August, we will withdraw it. Let us understand the point. If there is some intention to use this money—which as I have said is allocated in the armed forces budget—for other purposes, then please feel free to do it. [end recording] [passage omitted]

Thailand: Defense Minister Suspends Satellite, Arms Projects

BK0308130596 Bangkok THE NATION in English 3 Aug 96 pp A1, A3

[Unattributed Report]

[FBIS Transcribed Text] In a strong sign of a serious conflict with the prime minister, Defence Minister

Chawalit Yongchaiyut yesterday announced the withdrawal of the military satellite project from the Cabinet agenda and the suspension of all major arms acquisition plans, including the proposed submarine purchase.

Chawalit said his move was motivated by criticism against the military, which was blamed for contributing to the country's trade deficit.

"When all projects are stopped, we will have between [Thai baht] Bt30 billion and Bt40 billion left. If they want to use this for other purposes, come and take it. We want to help the economy. We don't want to be labelled destroyers of the Thai economy," he said.

The New Aspiration Party leader emphasised that he was not speaking out of frustration. His statement yesterday followed increasingly vocal complaints about the government's slow response to military budget requests and major projects, particularly the satellite plan.

When the satellite project finally makes its way to the Cabinet on Aug 6, I will pull it out," Chawalit said. [no beginning quotation mark as published]

"We have been as transparent as we possibly can be, and we have never spent money beyond our limits. We also adhere to the counter- trade policy, giving it 50 per cent priority although it's supposed to be just 20 per cent. But we still take the blame. So I have decided to suspend all projects."

He added that it would be "silly" to assume that he was creating a pretext to withdraw from the Banhan coalition. But in a tongue- in-cheek remark, Chawalit said he did not intend to stay with the prime minister forever.

"He and I are still sweetly in love. But if you ask if we will stay together for the rest of our lives, I'd have to think about it. Loving each other is one thing, one-sided love is another," he said.

Chawalit has found several of his proposed projects stuck whenever Banhan has become involved.

One of the major proposals is the application of a commercial banking licence for the War Veterans' Organisation (WVO) at the Finance Ministry, sources at the ministry said.

Proposing some of his projects through the WVO, a charity state agency under his supervision, Chawalit was upset when the Finance Ministry, which is under Banhan's Chat Thai Party, rejected the WVO's proposal despite his attempt to seek Banhan's support.

Banhan also did not support Chawalit's military satellite project.

However, Chawalit yesterday did not totally rule out the satellite project, which he suggested could take another investment form, enabling the military to stay out of a budget showdown with the government.

Chawalit said he believed he could find some way to push the project in much the same way as he had managed to push several projects at the Communications Ministry.

Chawalit's New Aspiration Party controls all communications agencies and their boards of directors are the decision makers for new projects.

He said he was considering seeking a new government agency which could assume a caretaker role for the satellite project. This he said would allow the private sector to invest in it. Many private firms have been approaching him about it, he added.

"There are many companies telling me they are ready to invest in the satellite service. The military may be given some transponders (satellite transmission devices).

"Satellites are very significant. Other government agencies, such as the Education Ministry, are also in need of them," Chawalit said.

Officials at the Transport and Communications Ministry said its Post and Telegraph Department or the ministry itself could award a satellite operation licence to a private firm, but the service's start-up would have to begin after Chinnawat Satellite Plc's eight- year exclusive protection period expires in 1999.

Chawalit has pushed for the introduction of a new cellular mobile phone system by assigning the WVO to apply for a licence at the Transport and Communications Ministry.

Chawalit said he did not believe government coalition parties or the prime minister would choose a House dissolution since a new election would take at least six months and would affect the economy.

"They'd rather step back and start up again, like I'm doing with my projects," Chawalit said.

Thailand: Supreme Commander Reacts to Chawlit Announcement

BK0508080896 Bangkok THE NATION in English 5 Aug 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Supreme Commander Wirot Saengsanit yesterday said he did not believe Defence Minister Chawalit Yongchaiyut is suspending all major arms acquisition plans because of budget conflicts with the government.

But Wirot said he thought Chawalit was serious when he said the military satellite project was being withdrawn from the Cabinet agenda.

"I think he was referring to the satellite project only because it involves a lot of money at a time when our economy is not so strong," Wirot said. "I don't believe he meant to suspend other projects as well."

On Friday, Chawalit announced the withdrawal of the military satellite project from the Cabinet agenda and the suspension of all major arms plans, including a proposed submarine purchase.

Chawalit said his move was motivated by criticism against the military, which was being blamed for contributing to the countries trade deficit.

"When all projects are stopped, we will have between Bt [baht] 30 billion and Bt40 billion left. If they want to use this for other purposes, come and take it. We want to help the economy. We don't want to be labelled destroyers of the Thai economy," Chawalit said then, adding that he was not speaking out of frustration.

The defence minister's statement followed his increasingly vocal complaints about the government's slow response to military budget requests and its major projects, in particular the satellite plan.

Wirot said it was against government policy to withdraw the satellite project. "But the withdrawal won't do the country any damage, because the move is aimed to helping the economy recover," he said.

"We are not scrapping the satellite project. We are just retreating a few steps at a time when the economy is bad."

Asked if Chawalit made the statement because he was upset, Wirot replied, "I don't know. Soldiers are not supposed to get upset."

Chawalit on Friday did not totally rule out the future of the satellite project, but he suggested it could take another investment form, enabling the military to stay out of a budget showdown with the government.

Chawalit said he believed he could find some way to push the project in much the same way as he had managed to push several projects [illegible] the Communications Ministry.

Chawalit's New Aspiration Party controls all communications agencies and their boards of directors are the decision-makers for new projects.

Thailand: 'Source': Wirot, Chawalit Forging 'Close Relationship'

BK0408132296 Bangkok BANGKOK POST in English 4 Aug 96 p 1

[Report by Wassana Nanuam]

[FBIS Transcribed Text] Deputy Prime Minister Chawalit Yongchaiyut and Supreme Commander Wirot Saengsanit have developed an increasingly close relationship lately, and have joined forces to build their own political base, according to a highly-placed army source.

The source said following the retirement of Gen. Wirot this year, he may eventually turn up as the deputy defence minister under the quota of the New Aspiration Party (NAP) led by the current Defence Minister, Gen. Chawalit.

An indication of the depth of their new-found cooperation was Gen. Chawalit's announcement that he would not touch this year's military reshuffle lists.

The defence minister said he would not become involved in the reshuffle because both he and Gen. Wirot wanted Armed Forces Chief- of-Staff Gen. Mongkhon Amphonphisit to succeed Gen. Pramon Phalasin as Army commander-in-chief, said the source.

Gen. Mongkhon is not only a close associate of Prime Minister Banhan Sinlapa-acha and Gen. Wirot, but also of Gen. Chawalit.

"Earlier, people may have believed that Gen. Mongkhon would create a political base for Gen. Wirot and Mr. Banhan. But now, it may turn out that Gen. Mongkhon serves to create a support base for Gen. Chawalit," the source said.

"Mr. Banhan seems to be aware of this," he added.

There may be an unexpected announcement concerning Gen. Wirot following his retirement in September.

Thailand: Army Chief Suggests Deputy Chief Chettha as Successor

BK0508071396 Bangkok BANGKOK POST in English 5 Aug 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Army Commander-in-Chief Gen. Pramon Phalasin said his deputy, Gen. Chettha Thanacharo, is one of the officers who is suitable to succeed him when he retires in September.

Gen. Pramon, however, said it is too soon to say that Gen. Chettha would be named as the next army commander-in-chief in the annual military reshuffle later this year.

The army chief denied the rumour that he and Gen. Chettha have not been on good terms recently.

"As far as myself and other people in the Army are concerned, he is a good, hard-working man. But it is too soon to say who will be named army chief," Gen. Pramon said.

The army reshuffle list is still being processed, Gen. Pramon said, adding that before nominating his replacement he must consult the current top five army officers, Supreme Commander Gen. Wirot Saengsanit and Defence Minister Chawalit Yongchaiyut.

Gen. Pramon said he would adhere to righteousness and legitimacy when selecting his successor.

Commenting on the chance of Gen. Thawan Sawaengphan being named army chief, Gen. Pramon said he personally admired the former's knowledge and ability which is not only recognised and respected within the Army but also by foreign countries.

The Army has many suitable candidates for the post and all will be considered, Gen. Pramon said.

Armed Forces Chief-of-Staff Gen. Mongkhon Amphonphisit has also reportedly emerged as a strong contender for the post of Army commander-in-chief.

The promotion lists proposed by the commanders of the three armed forces will then be jointly considered on August 13 at the Royal Thai Air Force Headquarters.

Thailand: Article Urges Civilian as National Security Chief

BK0508074496 Bangkok THE NATION in English 5 Aug 96 p A4

[Article by Marisa Chimprapha and Kunlachada Chaiphiphat: "Time For A Changing of the Guard at NSC"]

[FBIS Transcribed Text] The expected appointment of a replacement for Gen. Charan Kunlawanit as the secretary-general of the National Security Council (NSC) this October will be a crucial test. It will determine whether the agency can rid itself of military influence and truly serve as a dynamic civilian policy-guiding agency in the new security environment.

In order to shed this image, the agency's new boss should not come from military ranks.

The NSC was set up as a civilian institute in 1960 but has been governed by those from the armed forces ever since. Thailand's main security concern in the sixties was China which was supporting the Communist Party of Thailand in its bid to overthrow the Thai government.

The first NSC boss was Maj. Gen. Luang Wichit Watthakan. Other former NSC bosses include ACM [Air Chief Marshal] Sitthi Sawetsila who served between 1975 and 1980, and Squadron Leader Prasong Sunsiri, from 1980 to 1986

So far, all the names of potential candidates for the top security job leaked to the press are military generals.

This raises the question of why there are no qualified candidates from the civilian sector. This is despite the security-related agencies publicly acknowledging that responsibility for security affairs has moved beyond the military sphere.

A long-time security observer said that the appointment of military officers to the post was suitable under previous circumstances when the military powers might need to interfere in the administrative affairs of the country in the name of national security.

"The generals were suitable for the security top post to ensure good coordination between the government and the army because the country was under influences of a military power," said the observer.

For example, Charan was appointed by the ruling military junta, the National Peace-keeping Council (NPKC) which forcibly took power from the civilian government of Chatchai Chunhawan in the Feb 23 coup in 1991. "The NPKC certainly had to appoint someone it could trust," said the observer.

But the fall of the Soviet Union in 1991 and the end of the Cambodian civil war has reshaped the global and regional security landscape, requiring the NSC not only to change its attitude but also its administrative structure.

Under the new circumstances, the NSC's role has changed. From being a power unto itself — dictating policy to other branches of the administration when a national threat arose — to being a listening post, weighing opinions related to security from various government agencies and helping formulate national policy.

"The invasion of foreign troops was no longer perceived as the only national security threat. Security has comprehensive meanings which most people are not aware of," the observer said.

Rapid economic integration has brought home new challenges, in particular transnational issues that include illegal migration, drug trafficking, environmental degradation and the competition for natural resources which could lead to armed conflict. But more important is the rapid development of information technology.

"The new NSC chief should be someone (who) understands the new concepts of security and the changing role of the institute," said the observer.

That is why the selection of the NSC chief needs to correspond to the changing role of the NSC.

A senior security official said recently the NSC has an image of being powerful because it has handled security-related matters which were very sensitive when methods of military confrontation were unavoidable.

"The time has changed, the NSC is now acting as a medium for intelligence government agencies, including the National Intelligence Agency (NIA), the Armed Forces Security Centre and intelligence units in some ministries, collecting information from them and forwarding it to the premier," he said.

With the information, it evaluates situations and draws up security policies, the official said, adding that the NSC's main responsibility is as a policymaker for security issues. It is the NIA which is in charge of conducting the underground work to collect the information.

Moreover, the appointment of an outsider to the NSC may suggest that the deputy secretary-generals, who are supposed to be in line to take the top job, may not be qualified or competent enough to lead the institute.

So far, there has been no mention of the three NSC deputy secretary-generals who each has served at the NSC for more than 30 years.

As it stands, the choice depends a lot on domestic politics, which in the past have influenced the prime minister's decision to select the persons to fill this top security job.

Prime Minister Banhan Sinlapa-acha is the only person authorised to appoint the NSC chief, as the institute is under his directive.

However, Charan, as outgoing leader, can also submit a nomination for his successor, but the decision is Banhan's to make.

A third possibility is that the nomination will come from Defence Minister Chawalit Yongchaiyut.

Presently, the military has its own highly-equipped intelligence agency, the Armed Forces Security Centre (AFSC), which is attached to the Supreme Command. The AFSC's commanding general, Thammarak, is tipped as a potential candidate to become NSC secretary-general. The AFSC is responsible for intelligence work on military affairs while the National Intelligence Agency is in charge of intelligence work on the civilian side.

Another security observer noted that in case a military general does take the NSC post this would suggest that the military still has influence over Thai security or Chawalit, who has publicly announced his wish for the premiership, wants his men not only in the military security agency but also in its civilian counterpart.

Vietnam

SRV: Helms-Burton Law Drives U.S. Into 'Isolation'

BK0308100596 Hanoi Voice of Vietnam in English 1000 GMT 1 Aug 96

[Radio commentary]

[FBIS Transcribed Text] The European Commission [EC]'s Executive Committee has worked out retaliative measures against the American Helms-Burton Law that set out to punish foreign companies doing business with Cuba. Our commentator has the following to say:

The United States Helms-Burton Law, and especially the U.S. threat to punish three companies from Canada, Mexico, and Italy which are investing in Cuba, have caused strong opposition from the world at large.

Addressing a press club at lunch in Washington on May 29th, the British foreign secretary, Mr. Rifkind, said: U.S. restrictions against Cuba were shortsighted and detrimental to the interests of the U.S. companies. They chase away potential investors because they have to reduce their investment in other countries. The British diplomat declared that no country has the right to control foreign companies' operations in a third country.

For his part, Vice President of the European Union [EU] Mr. Leon Brittan remarked that the U.S. Helms-Burton law was insulting and attacked U.S. airlines. He feared that the United States might regret its stance in the future because the law was a dangerous precedence and evoked strong global protest.

Following the EU Foreign Ministerial Conference last month, the EC and the EU have agreed upon a number of retaliative measures against the Helms-Burton law. They include a ban on EU companies from joining court cases conducted by the U.S. based on the H??ms-Burton law or similar laws. The EU is determined that it would take action against U.S. property or bank accounts of the U.S. companies operating in the EU member countries if the United States files suit cases against its companies for being involved in U.S. property nationalized by Cuba.

Mexico and Canada whose companies are being threatened by the Helms-Burton law have considered appropriate measures to protect their companies which were doing business with Cuba.

It is encouraging that the Cuban economy has gradually recovered and developed. Vice Cuban President Fidel Carlos most recently reported that the country's GDP increased by 9.6 percent in the first half of 1996. Addressing a press conference in Havana, the vice president of Cuba said Cuba might obtain an economic growth of 5 percent this year.

These developments prove that U.S. embargo against Cuba, especially the newly-adopted Helms-Burton law, have failed to throttle the vitality of the Cuban people. On the contrary, these policies have driven the United States of America into global isolation.

SRV: U.S. Decision on Changing Starting Date of War Viewed

BK0308144896 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 29 Jul 96 p 4

[From the "Current Affairs" column by Tuong Van]

[FBIS Translated Text] The U.S. Congress has declared for a long time now that the U.S. war in Vietnam started on 5 August 1964, which was the day the U.S. Air Force bombed North Vietnam after the so-called "Bac Bo [Tonkin] Gulf Affair," which was also invented by the Americans. This way of establishing the starting date of involvement in warfare opens the way for historians (?) in the U.S. to say that involvement in the war was only a required reaction after U.S. forces were, for no reason (?), attacked by the Vietnamese Navy! [question marks as published]

Such a means of calculation, however, was a reason for nearly 20,000 U.S. servicemen to complain vociferously, because their rightful entitlements were unfairly taken away. In reality, they actually participated in the war while they were still "considered" to be performing diplomatic and advisory activities against the background of peace time. Through war veterans organizations, these veterans mounted pressure on the Congress.

THE NEW YORK TIMES reported on 24 July that the U.S. Congress has corrected the announcement of the date the United States began its involvement in the war in Vietnam, and the new date has helped 16,500 war veterans to receive their rightful entitlements, as they actually began to serve in the war beginning in 1961.

Naturally, the war veterans are happy to receive the benefits they should have received long ago.

Only historians will be given headaches. Again they have to tax their brains to work out another explanation as to why U.S. forces started to participate directly in the war in Vietnam beginning in 1961. What a tough job!

SRV President Visits Seventh Military Zone Command

BK0308123796 Hanoi VNA in English 0648 GMT 3 Aug 96

[FBIS Transcribed Text] Hanoi VNA August 3—State President Le Duc Anh yesterday called at the Seventh Military Zone's Command as part of his current southern tour. Earlier, he visited the Fifth Division of the Seventh Zone and Ninth Division of Cuu Long Army Corps on the occasion of the National Day of War Invalids and Martyrs (July 27).

President Anh commended all Army officers, soldiers and workers of the military zone on their efforts to successfully implement their training plans. He also asked the command to build the military zone to be stronger in all ideological, political and military aspects with help from the local authorities and people.

"For the time being, the command must organize well the study of the eighth party resolutions," he also said.

In late July and early August, Gen. Doan Khue, minister of defence toured the Military Logistics Institutes, the College of Border Army and Tat Thang Artillery Army Unit.

Speaking on this occasion, Minister Doan Khue said "as centres of technical, logistics and border Army officer training, the institutes and college must firmly grasp all objectives of the national industrialization and modernization and the Army's tasks in the new context in their training programmes to meet the demand for the gradual building of the Vietnam People's Army into a regular, well-trained and modern Army.

SRV: NA Committee Discusses Schedule for Assembly Session

BK0408073896 Hanoi VNA in English 1419 GMT 3 Aug 96

[FBIS Transcribed Text] Hanoi VNA Aug. 3—The National Assembly [NA] Standing Committee met here from July 25-31 under the chairmanship of NA Chairman Nong Duc Manh. Vice State President Nguyen Thi Binh attended the meeting.

At the meeting the NA Standing Committee discussed the time schedule for the 10th session of the 9th National Assembly. The deputies also gave opinions to draft laws and reports to be submitted to the NA.

Regarding law building, the NA deputies contributed their opinions to drafts of the marriage law (amended), the law on value- added tax, the law on business income tax, the law on individual income tax, and the law on foreign investment in Vietnam (amended).

The Standing Committee heard reports by the cabinet on the implementation of the plan of the first half of the year and measures to implement the yearly plan the implementation of the state budget in the first six months of 1996 measures to fulfil the state budget target for the whole year and capital mobilization and lending of the bank system in the first six months of the year.

The NA Standing Committee shared the government's view that although several problems remained to be solved, the socio-economic situation in the first half of the year continued changing toward positive direction, particularly in inflation control.

The NA Standing Committee proposed the government to promote the guidance for implementating NA resolutions in order to fulfil the tasks of 1996, the first year since the 8th Party Congress Resolution and the Five Year Plan (1996-2000) and at the same time preparing orientations and tasks for 1997 to submit to the NA's 10th session.

The meeting heard reports on the losses caused by recent storm Frankie in northern provinces, particularly Thai Binh, Nam Ha, and Ninh Binh. The NA Standing Committee extended deep sympathy to the people in storm-stricken areas and asked the government and relevant branches and authorities to continue helping the victims return to normal life and production.

New Zealand

New Zealand Daily Urges Compromise on CTBT Provisions

BK0308154296 Christchurch THE PRESS in English 31 Jul 96

[Editorial: "After The Nuclear Tests" — received via Internet]

[FBIS Transcribed Text] That China says it will hold no more nuclear tests is good news; it would have been better still if the latest Chinese nuclear test had not gone ahead. China had previously said that it would hold one more test, and so it did. Its declaration of a moratorium might be a unilateral action, rather than the gesture of joining Russia, the United States, Britain, and France in a moratorium, but the effect is the same: all the nuclear powers are now observing a moratorium on nuclear testing.

The timing of the last test and the announcement of a moratorium have come during what might be the final stages of a treaty to ban nuclear testing. China will no longer be the only country in the world still holding nuclear tests. In the Committee on Disarmament, which is conducting the test-ban treaty negotiations, the finger cannot now be pointed at China as the recalcitrant nuclear player. China apparently regards itself, and wants to be regarded, as a responsible participant in these important negotiations.

The end to nuclear testing by China does not mean that China is prepared to agree to the provisions of the comprehensive test-ban treaty [CTBT] as now drafted. China is one of the countries which is not satisfied with the treaty draft, mainly because it does not like the provisions for on-site inspections. These are to cover occasions on which a country is suspected of having held a nuclear test — for instance, tremors might have been picked up by monitoring device — and when only checks at the suspected site will show whether there has been a nuclear blast. China has reservations about such inspections. The New Zealand Government appears to believe that although rigorous on-site inspection provisions are preferable, a compromise should be considered for the sake of preserving the treaty. Such a compromise must not empty the treaty of meaning. It must aim to prevent the build-up of suspicion in one country that another is holding nuclear tests, and that the international community cannot check the facts.

How a comprehensive test-ban treaty would come into force is also a matter of disagreement. As the treaty is now drafted, it would require the signature and ratification of all nuclear powers, and of the nuclear threshold States — India, Israel, and Pakistan. They would have to make it part of their domestic law. That condition is unacceptable to India, which could thus stymie the treaty coming into force. India is nonetheless unwilling to accept responsibility for any failure to conclude the treaty. Various countries, including the United States, are willing to accept a treaty without India. If this course is to be followed, the treaty draft will have to be rewritten. A clause enabling a country to opt out might be written in — but that would introduce the danger that other countries also would demand exclusion. If enough did that, the treaty could be meaningless.

Compromise is an integral part of negotiating. Earlier in the negotiations one of the sticking points was what the treaty preamble would say about eventual nuclear disarmament. Several countries wanted the treaty to represent a commitment to nuclear disarmament. In the end, wording was adopted which did not fully satisfy countries that wanted a nuclear disarmament timetable, but which they felt they could live with. The wording was also acceptable to those countries which were prepared to sign the treaty, but not to tie themselves down to getting rid of their nuclear weapons by a given date.

For a while hopes were high that a treaty could be concluded by the end of this month. The Committee on Disarmament will meet today, but the unresolved issues are such that it is not likely a treaty will be wrapped up today. The longer the negotiations drag on, the more likely it is that the treaty will start to unravel. If it does, mankind will have lost a major chance to make the world safer.

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